



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-90-042
Friday
2 March 1990**

Daily Report

East Asia

FBIS-EAS-90-042

CONTENTS

2 March 1990

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

Please Note: Volume No. 41 was inadvertently issued with a 1 February date. The date should have read 1 March.

INTERNATIONAL AFFAIRS

Jakarta Conference on Cambodia Concludes	1
Son Sann Meets With Suharto [Jakarta TV]	1
Talks Fail To Reach Accord [AFP]	1
Khmer Rouge 'Inflexibility' Blamed [Jakarta ANTARA]	2
Hun Sen Comments on Outcome [Phnom Penh SPK]	2
Alatas on 'Failure' of Talks [Jakarta Radio]	3

NORTHEAST ASIA

Japan

Prime Minister Holds News Conference 28 Feb [Tokyo TV]	4
Kaifu To Stress 'Will' To Solve Trade Problems [KYODO]	14
Foreign Minister Pledges 'Productive Diplomacy' [KYODO]	15
Finance Minister Outlines Policy in Diet Speech [KYODO]	16
Economic Planning Chief on Living Standard [KYODO]	16
Gorbachev Ready To Move on Summit Preparations [KYODO]	17
Gorbachev Confirms Plan To Visit in 1991 [KYODO]	17
Ministry Sources Deny Hong Kong Passport Report [KYODO]	17
Mongolian Premier Visits; Views USSR, PRC Ties [KYODO]	17
Tokyo TV Interviews Mongolian	18
KYODO Carries Lineup of Second Kaifu Cabinet	19
KYODO Continues Profiles of New Ministers	19
Foreign Minister Nakayama	19
EPA Chief Aizawa	20
Labor Minister Tsukahara	20
Home Affairs Minister Okuda	20
MITI Minister Muto	21
Chief Cabinet Secretary Sakamoto	21

North Korea

DPRK Has No Plans To Meet With Kim Yong-sam [Pyongyang Radio]	21
Mass Meeting Held To Denounce 'Team Spirit' [KCNA]	22
CPRF Decries U.S. Official's Comment on Korea [Pyongyang Radio]	22
Cheney Statements, U.S. Troop Levels Reviewed [KCNA]	23
Changes in U.S. Asian Naval Strength Denounced [KCNA]	24
TASS Cited on 'Aggressive' Military Exercise [KCNA]	24
Chong Ho-yong's ROK Election Bid Criticized [KCNA]	24
Newspaper on Opening of South Assembly Session [KCNA]	25
Newspaper Comments on 'Suppression' in South [KCNA]	25
Reportage on Alleged Rights Violations in ROK	25
Release of Prisoners Demanded [KCNA]	25
Amnesty 'Appeal' Cited [KCNA]	26
KCNA on 21 Feb Unification Board Statement	26
Yun Ki-pok Meets Reunification Panel Chairman [KCNA]	26
* Revolutionary Slogan-Bearing Papers Studied [NODONG SINMUN 22 Dec]	26

Workers' Party Institutes 'Day of Students' [KCNA]	28
Editorial on Organizational Economic Works [Pyongyang Radio]	28
Newspaper Stresses Primary Functionaries' Roles [Pyongyang Radio]	30

South Korea

Minister Foresees UN Membership in 2-3 Years [YONHAP]	32
Minister Prepares for Worldwide Realignment [THE KOREA TIMES 20 Feb]	32
Cho Sun Attends Meeting on Saving Economy [YONHAP]	32
Kim Yong-sam, Kim Tae-chung Differ Over Future [THE KOREA HERALD 2 Mar]	33
Kim Yong-sam's Moscow Trip May Result in Ties [YONHAP]	33
Seoul 'Redoubling' Efforts for Ties With USSR [THE KOREA TIMES 2 Mar]	34
Ties Needed To Ensure USSR Business Ventures [THE KOREA TIMES 2 Mar]	35
KAL, Aeroflot Agree on Overflights, Stopovers [YONHAP]	35
DPRK Ties Linked to Improved Soviet Relations [HANGYORE SINMUN 25 Feb]	35
Minister Yi on Possible Overtures From North [YONHAP]	36
* Post-Kim Il-song War Scenario Studied [CHUGAN CHOSON No 1077]	36
French Daily Quoted on Kim Chong-il Succession [KYONGHYANG SINMUN 28 Feb]	42
Military Officials Dismiss North's Wall Claims [THE KOREA TIMES 1 Mar]	42
Minister Details Business Agreements With Iran [THE KOREA HERALD 24 Feb]	43

SOUTHEAST ASIA

Cambodia

Further Views on Cambodian Situation, Jakarta	44
Hun Sen News Conference [Phnom Penh Radio]	44
Political Bureau Meets [Phnom Penh Radio]	46
Paper on Search for Solution [Phnom Penh Radio]	47
Reportage on 25 Feb, 1 Mar Battle Successes [Phnom Penh Radio]	48
Defense Official Says Aims To Take Thmar Puok [AFP]	48
SRV Says Phnom Penh Gets 'Appropriate' Aid [AFP]	49
Nhim Vanda Visits Border Cadres, Combatants [Phnom Penh Radio]	49
People in Koh Kong Said Angry With Chea Sim [Radio VONADK]	50

Indonesia

Australia's Evans, Suharto on Phone Pact, Ties [ANTARA]	50
Official Proposes Solution for Phone System Bid [ANTARA]	50
Minister on Need To Build Nuclear Plants Quickly [Jakarta Radio]	51

Laos

Kaysone Phomviharn Delivers Speech to SPA [Vientiane Radio]	51
Chamber of Commerce, Industry Established 27 Feb [KPL]	59
Oil, Gas Survey Agreement With U.S. Company [KPL]	59

Philippines

Firm Says U.S. May Not Extend 'Promised' Aid [PNA]	59
Further Reportage on Enrile Situation	60
Aquino Statement on Petition [Quezon City Radio]	60
Graft Case Not 'Harassment' [Quezon City Radio]	60
Co-Accused Surrender Themselves [Quezon City Radio]	60
Enrile To 'Run for President' [Quezon City Radio-TV]	61
Businessmen 'Welcome' Arrest [THE MANILA CHRONICLE 2 Mar]	61
Security Force Members Recalled [Manila Radio]	61
Charges To Be Filed on 'All' Coup Parties [Manila Radio]	62
Ship Said Planning To Free Rebel Detainees [Manila Radio]	62
Aguinaldo 'Barricades' Gattaran, Cagayan [Quezon City Radio-TV]	62
Mitra Speaks at Marine Guard Battalion Ceremony [Manila Radio]	63

Ramos Views Government Arms-Return Program [Quezon City Radio]	63
Bohol Wants More Soldiers To Fight Rebels [Quezon City Radio]	63
Increased Rebel Activities Noted [Quezon City Radio]	63
Albay Constabulary To Set Up Advance Post [Quezon City Radio]	63
NPA Communication Network Capture Reported [THE MANILA CHRONICLE 24 Feb]	63
Suspected Communications Center in Bataan Raided [Manila Radio]	64
Army Chief Stresses Need for Armored Carriers [Manila Radio]	64
Quezon Constabulary Chief on Communist Activity [Manila Radio]	64
Illegal Loggers Said Source of Rebel Funds [PHILIPPINE DAILY INQUIRER 20 Feb]	65
Administration Candidate Leads in Mindanao Poll [Manila Radio]	65

Thailand

Editorial Urges Cut in U.S. Rice Subsidies [THAI RAT 1 Mar]	65
Regional Counternarcotics Centers Planned [THE NATION 22 Feb]	66
Daily on Outcome of Jakarta Cambodia Talks [BANGKOK POST 2 Mar]	66
Thai Traders Depart for Burmese Gem Fair [THE NATION 5 Feb]	67

Vietnam

News Conference on Davos, Troops in Cambodia [Hanoi Radio]	67
Vo Chi Cong Speech at Control Conference [NHAN DAN 6 Jan]	68
Ministry Reviews Overseas Training Programs [Hanoi Radio]	70

AUSTRALASIA

Fiji

Rabuka Threatens Military Intervention [Melbourne International]	71
--	----

Papua New Guinea

Bougainville Quiet, Tense as Cease-Fire Begins [AFP]	71
Police Killing Raises Doubts of Rebel Leadership [Melbourne International]	72
Committee With Indonesia To Oversee Border Issues [AFP]	72
Minister Rejects 'Commercial Loans' Allegations [Melbourne International]	72

Jakarta Conference on Cambodia Concludes

Son Sann Meets With Suharto

BK2802154490 Jakarta TVRI Television Network
in Indonesian 1400 GMT 28 Feb 90

[Report by TVRI correspondent Iskandar Gani]

[Text] Son Sann, leader of the Khmer People's National Liberation Front, paid a courtesy call on President Suharto at the latter's residence on Cendana Street, Jakarta at about 1930 West Indonesian Time [1230 GMT] tonight [February 28]. He reported to President Suharto on various developments concerning the limited informal meeting on the Cambodian issue. During the meeting, which lasted for about 20 minutes, the head of state offered a number of suggestions that Son Sann described as very valuable for all Cambodians.

Speaking after meeting President Suharto, Son Sann stated that considerable progress had been made at the informal meeting, but he added that this was not enough; thus, he was very disappointed. Son Sann wanted all Cambodians to make sacrifices to achieve a solution to the prolonged conflict. He thanked President Suharto and all Indonesians for their goodwill.

Son Sann said that President Suharto last year suggested that the warring Cambodian factions abandon their respective factions and forge a common stand to pave the way for the holding of free elections. According to Son Sann, three factions have accepted the head of state's suggestion. However, the Hun Sen faction has yet to show a similar attitude.

The limited informal meeting on the Cambodian issue was closed half an hour ago. A news conference on the results of the meeting is now going on.

Talks Fail To Reach Accord

BK0103015690 Hong Kong AFP in English 2057 GMT
28 Feb 90

[By Bryan McManus]

[Text] Jakarta, March 1 (AFP)—Cambodian peace talks failed here early Thursday [1 March] when the warring factions retreated to their old entrenched positions, stalling plans for the United Nations to play a role in settling the 11-year-old conflict.

"I regret not being able to give you a text on which I can say there was unanimous agreement," Indonesian Foreign Minister Ali Alatas told a news conference, referring to a 17-point document outlining a U.N. role which delegates discussed all day Wednesday. Mr. Alatas said the talks broke down over details of some new aspects but stressed that it was the factions' entrenched positions which once again brought negotiations to a halt. "Unfortunately we got stuck in them again," he said.

Conference sources said the talks bogged down in plenary session when the Phnom Penh government and the Chinese-backed Khmer Rouge demanded mutually exclusive amendments to the proposed final document of "common understandings."

Phnom Penh Prime Minister Hun Sen wanted to remove any reference to Vietnamese settlers in Cambodia, to resistance leader Prince Norodom Sihanouk heading a proposed Supreme National Council (SNC) and to details of a proposed U.N. role in organising elections.

The Khmer Rouge objected in turn to a reference to "genocide" in the document which they were otherwise prepared to endorse, although "with some reservations," the sources said.

Vietnamese Foreign Minister Nguyen Co Thach and Mr. Hun Sen at a later separate press conference both insisted this word had to be retained as an indictment of the Khmer Rouge's bloody record during their four years in power until they were ousted by Hanoi's troops in early 1979.

Australian Foreign Minister Gareth Evans, whose November proposal for the United Nations to set up a transitional government pending free elections and an SNC grouping the four factions formed the basis of the Jakarta talks, said the outcome was "very disappointing" and "deeply regrettable."

Mr. Evans said there had been a large measure of agreement on the plan and general acceptance of these two key points.

"Disagreement arose only on peripheral issues, old issues, which were about atmospherics rather than issues of substance," he said.

As the "two sides" were to blame for the latest impasse it was now up to the Cambodian parties "to show a real commitment to stopping the killing and suffering" in their country, he said. He later told Australian radio that "it was the Khmer Rouge who played a wrecking role."

The three-day talks here were intended to pave the way for resuming August's Paris international peace conference which broke down when the four Cambodian factions could not agree on the form of a transitional government ahead of elections.

Mr. Alatas refused to be drawn when asked when the Paris conference might be resumed, saying only that he and French Foreign Minister Roland Dumas, as co-chairman of the August talks, would report back to the participants. Claude Martin, representing Mr. Dumas, said the Paris conference would be reconvened "only when the situation was ripe for it."

Attending the Jakarta talks were the four Cambodian factions, Laos, Vietnam, France, Australia, a U.N. representative and the Association of Southeast Asian Nations (ASEAN)—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. They were joined

at the Paris conference by Canada, India, Japan and the permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States.

The talks here began on an more optimistic note Monday when Mr. Evans said all sides, and especially the Khmer Rouge, were showing some signs of flexibility.

Mr. Evans insisted Thursday that much stood on the credit side of the meeting and the Australian proposal remained on the table to be taken up later if the parties so wished. The failure here, he said, had to be taken at its face value, declining to comment further when asked if the two sides had used "peripheral issues" to block an agreement.

Mr. Hun Sen for his part said that he too "deeply regretted" the failure to reach agreement on a final document but the Australian plan still remained the "basic proposal and marks a big step forward."

A spokesman for the resistance faction backing Prince Norodom Sihanouk made no statement except to express regret at the outcome.

Khmer Rouge leader Khieu Samphan made no public statement but scheduled a press conference for later Thursday.

Khmer Rouge 'Inflexibility' Blamed

*BK0103092490 Jakarta ANTARA in English
0834 GMT 1 Mar 90*

[Text] Jakarta, March 1 (OANA/ANTARA)—The inflexibility of the Khmer Rouge, one of the factions in the National Government of Cambodia (NGC), has been blamed for the failure of the three-day Informal Meeting on Cambodia (IMC) which ended here at dawn on Thursday [1 March].

Beside failing to give concessions on several important aspects of the proposed settlement of the Cambodian conflict, the Khmer Rouge was also considered by some participants as unduly taking advantage of the unanimity rule to veto the draft document which was expected to be approved by the IMC.

Under the unanimity rule, the IMC failed to approve a 17-point draft document as its result because Khmer Rouge leader Khieu Samphan rejected a sentence referring to the "prevention of the return of the genocidal regime."

On the other side, the Phnom Penh government and Vietnam demanded for the inclusion of the reference, threatening to refuse to sign the document otherwise.

In a press conference at the end of the IMC Thursday dawn, Foreign Minister Ali Alatas described the obstacles to the success of the IMC as old problems that had emerged since the International Conference on Cambodia (ICC) in August.

The Sihanoukhist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Son Sann's Khmer People's National Liberation Front (KPNLF) supported fully the 17-point draft document and were ready to sign it.

"This is a fact and the two factions deserve to be commended on that," the Indonesian foreign minister who is co-chairman of the ICC said. The IMC actually is designed as preparation for the resumption of the ICC in Paris. However, its failure has made the ICC prospect unclear.

Alatas pessimistically commented: "We have obviously again lost a momentum and I don't know how we are moving." He, however, added that the ICC was not being postponed because the IMC failed because the IMC was only a one shoot meeting.

"The IMC can not also be considered canceled because it had taken place. Therefore decide for yourself whether to consider the IMC a success, a half-success, or a failure," he said.

In the same press conference, French Foreign Minister [title as received] Claude Martin, the other ICC co-chairman, said that the ICC will be held on the right time and as soon as possible. Though its result could not serve as a basis for the resumption of the ICC, the IMC in Jakarta did notch progress toward the settlement of the Cambodian conflict, he said.

Hun Sen, in a separate press conference, said his government continued to consider the Australian proposal on Cambodia the basic proposal in the process toward Cambodian settlement though certain IMC participants rejected it.

The failure of the IMC, he said, was not due to the proposal but to the rejection of the word "genocide" in the draft final document by one of the participants.

Hun Sen Comments on Outcome

*BK0103122390 Phnom Penh SPK in English
1105 GMT 1 Mar 90*

[Text] Jakarta, SPK March 1—The Jakarta informal meeting on Cambodia [IMC] closed at mid-night Wednesday [28 February] without producing any documents, reports an SPK correspondent from the Indonesian capital.

The last day closed [words indistinct] began shortly before [word indistinct] P.M. Wednesday after hectic consultations both between the two co-chairmen Mr Ali Alatas and Claude Martin—who acted as co-chairman after Roland Dumas left on the second day of the meeting—and delegates, and among delegates themselves.

Hundreds of journalists and cameramen were waiting outside the "Bali Room" of the "Hotel Indonesia" with some falling asleep on the chairs and lying on the floor.

Time and again they crowded in front of the door of Bali Room trying to get information and to shoot pictures.

"The delegation of the State of Cambodia expressed its deep regret over the meeting which could not reach agreements producing formal document," said Cambodian Premier Hun Sen in a press conference held after the closing of the meeting and after the first press conference held by the two co-chairmen, Gareth Evans, and Nguyen Co Thach.

He stressed that the proposals made by Sen. Gareth Evans still remained the basic one and constituted a big progress forward. "What got bogged down did not lie on Evans' proposal. Rather it was the old thing that got bogged down in the Paris conference, especially on the term (genocide)."

He informed the pressmen of the official position of the State of Cambodia Government with regard to the acceptance of the Evans proposals saying that they tried to avoid the deadlock used to happen [as received] in the Paris conference and then moved ahead [words indistinct]. At the Paris conference, the deadlock was over the dissolution of the two governments and the creation of a quadripartite coalition government i.e. the power-sharing in the transitional period.

The Evans proposals, he said, were aimed at using the U.N. role in the transitional period and then organizing a free and fair election.

He remarked that it seemed that there were general agreements on the U.N. role, adding that he had agreed to the establishment of an interim U.N. authority in Cambodia, which had two main mandates:

Firstly the supervision of the implementation of the international agreement on Cambodia, secondly to organize and supervise the election in Cambodia.

"At the same time," he continued, "we have also agreed in principle to the U.N. involvement in the civil administration during transitional period and are prepared to discuss the various formulas raised by Sen. Evans."

In his interview with Vietnam T.V. in Ho Chi Minh City during his one-hour stop-over there on his way home from Jakarta, Premier Hun Sen said that the IMC fails to produce any official document due to the right of veto, in the unanimity rule, of the Khmer Rouge who vetoed all the points in the non-papers submitted to the participants by the IMC co-chairmen just on the term of genocide which [words indistinct] in the Paris International Conference on Cambodia.

He warned the world not to give the Khmer Rouge the right to veto in any meeting.

Alatas on 'Failure' of Talks

BK0103023590 Jakarta Domestic Service in Indonesian
0000 GMT 1 Mar 90

[Text] The informal meeting on Cambodia in Jakarta has failed to reach an agreement in the formulation of a final document because the Cambodian warring factions were unable to agree on issues which stalled the earlier Paris international conference. However, the meeting, which began on 26 February and ended early this morning after a five-hour extension from the original closing, achieved some progress on the UN role in solving the Cambodian problem. Foreign Minister Ali Alatas spoke to the Radio Republik Indonesia and Televisi Republik Indonesia reporters after closing the last session.

[Begin recording] [Unidentified correspondent] Mr. Alatas, could you tell us about the negotiating process at the last session, which in the end did not produce any agreement?

[Alatas] The session was adjourned after midnight [1700 GMT], but I have to say with regret that after exerting our best efforts to (?reach a joint statement), it turned out that our efforts had failed. The failure was partly because the meeting was based on the Paris conference, where [words indistinct]. Therefore, we regretfully have to accept the fact that it was impossible to reach a joint statement. It does not mean that no progress has been made at all. [passage indistinct] Indeed progress was made with the exchange of views, which was valuable for further efforts. What was regrettable was that this meeting was stalled by issues which were the bone of contention at the Paris Conference.

As host of this meeting, Indonesia tried to convince the groups that are directly involved in the issue that [words indistinct].

[Unidentified correspondent] Could you explain the various aspects which had stalled the informal meeting this time?

[Alatas] There were several new aspects of the problem which were not acceptable to the warring factions. [passage indistinct] Therefore, with great regret, I have to come to the conclusion that because they were not able to make use of this the opportunity which had emerged from the development of new situation, the warring factions missed this great opportunity. It appears that they did not [passage indistinct]. [end recording]

Japan**Prime Minister Holds News Conference 28 Feb**

*OW0103035690 Tokyo NHK General Television
Network in Japanese 0500 GMT 28 Feb 90*

[Prime Minister Toshiki Kaifu's news conference with the cabinet press corps at his official residence in Tokyo following the formation of his second cabinet; reporters not individually identified—live]

[Text] [Video shows Kaifu seated at a desk facing the press corps, cutting to medium shots of reporters seated in rows and closeup shots of one unidentified reporter]

[Reporter] Now, I think we should begin Prime Minister Kaifu's news conference with the cabinet press corps. The second Kaifu cabinet was inaugurated today—in the wee hours before dawn this morning, to be precise. I would like to ask you first about the cabinet lineup. In forming your new cabinet this time, Mr. Prime Minister, what did you have in mind and what goals did you set to achieve? We see that female cabinet members have disappeared and we somehow have the impression that your new cabinet is less impressive than the first Kaifu cabinet. What do you think about that?

[Kaifu] All right, in forming the cabinet this time.... [changing thought] We are now faced with a number of big problems on both the domestic and external fronts. On top of that, recently our fellow citizens passed a solemn judgment on us, making it possible for us to attend this Diet with a stable majority of 286 seats. We humbly accept that as the result of our fellow citizens' expectations that we take up domestic and external problems firmly in a progressive manner. Therefore, in forming the new cabinet I proceeded from the viewpoint that it must resolve the pending issues in both the domestic and foreign policy areas.

At the same time, everyone in the election pooled his strength in order to overcome the biggest crisis facing the party since its inception, identifying with the overall party posture. Various talents are available in the party, so I formed the cabinet with the thought of doing everything in my power to help resolve the pending issues, as I mentioned at the beginning. For that reason, as you mentioned at the end of your question, the new cabinet ended up with no female members at all this time. Nevertheless, there is not one iota of change in the Kaifu cabinet's basic viewpoint—that is, in its desire to bring the women's ability and experience into full play in building a society based on true equality between the sexes. Please allow me to add that.

[Reporter] Do you think that the result of the cabinet formation is in line with what you originally had in mind?

[Kaifu] Yes, all the members gathered are those who possess characteristics of being capable of addressing issues in their respective sectors. At the first cabinet

meeting, I asked them to come to grips with domestic and foreign policy issues by coordinating efforts, and they all agreed and vowed to do so. Therefore, I am resolved to stand in the forefront and do my best.

[Reporter] I would like to ask you some questions in conjunction with your cabinet organization. Mr. Prime Minister, you refused to include in your cabinet those who were implicated in the so-called Recruit and Lockheed scandals, such as Mr. [Yoshiro] Mori and Mr. [Takayuki] Sato. Did you reject them because in your view they have not yet performed their so-called ablutions for their involvement in the two scandals? Will you continue rejecting the entry of Recruit-implicated Diet members into your cabinet? And, Mr. Prime Minister, what is your view of drawing a line in the so-called ablutions? I am asking you these three questions?

[Kaifu] Before I say I refused positively or rejected anyone—what can I say? According to media reports, there were some who declined voluntarily. Rather than selecting members on the basis of that sort of criteria, I selected members with a view to resolving the various issues I mentioned in the beginning. I think I obtained results in line with that view.

Another thing I must mention is that this is a time when we should carry out political reform in earnest. During the election campaign we strongly appealed to the people, saying that we would carry out political reform, and we are now in the post-election period. I believe that everyone in the party and every comrade-in-arms who fought together in the election campaign, fully understands that. This is the result. I see it that way. Your question was whether I think that the election means that ablutions have been performed. In my opinion, under the current parliamentary democracy, an election by direct vote by the people is the only way of electing their representatives in their constituencies. So I think that the end result of an election should be viewed as a sort of baptism conducted between the eligible voters in a constituency and the politicians who represent that constituency.

Now, that is different from how the party views things from its position. I do not know if this is my position as party president, but I have been saying that the party must humbly keep reforming itself and restore the people's confidence through political reforms. The party adopted an outline of political reform and is promoting its implementation. I do not know what is meant by ablutions, but I believe that the only way for the party to be reborn and regain the public trust is to keep striving for political reform.

[Reporter] Now we would like to ask you about policy matters. I think there will be questions on specific points by others later on, but before that, first, I would like to know what your new cabinet, the second Kaifu cabinet, plans to tackle as its first priority policy matter.

[Kaifu] If I am allowed to put the political reform question aside—because I have just dealt with it—I must

say that in the foreign affairs area the urgent task facing the second Kaifu cabinet is tackling the question of Japan-U.S. relationship. That is an issue that must be resolved through ceaseless dialogue. The issue has a bearing not only on the economy, but also on the security of Japan, and even on the fundamentals of postwar Japan. Hence it is a first priority issue.

In the domestic affairs area we have the great goal of establishing a just and spiritually rich society, about which I have talked since I was first named prime minister. We must make efforts toward that goal. But lying immediately before us, with the Diet opening soon, is the issue of the consumption tax. In other words, the first task facing us on the domestic side is how we should conduct discussions and obtain understanding on the consumption tax in the Diet—in which there exists this so-called assymetric situation of the opposition camp having a majority in the upper house and the governing party holding power in the lower house—so that the tax system can take root.

Now, next. With your help, we were able to have the Basic Land Law passed last year. Within the framework of the law, we would like to have various specific plans drawn up this year. The land issue should be the second one.

Third, we have to pay attention to and do what we can about the commodity price problem. We will seek to solve the problem of the price gap existing between Japan and other countries. Those are the issues we will tackle immediately.

[Reporter] I would like to return to the question of personnel surrounding the cabinet formation. Viewing the recent developments in personnel, as far as we can see, there has been a restoration of factionalist politics on a grand scale. There was the battle waged by Mr. Watanabe, who became the head of a faction of the Liberal Democratic Party [LDP] only recently, and the fight for high posts among those recommended for portfolios—intraparty factional fights. And there are even those saying that in the recent general elections the factions were the bases of the electoral campaigns, and that the party won in the election because of the help by the factional bases. Mr. Prime Minister, you too personally visited the heads of the factions before the elections. I think that you are to be blamed in part for the situation. How do you plan to tackle the problem of the factionalistic nature of the LDP? Do you really expect to be able to have an overall cooperative party organization as you say? I would like to have your view on that.

[Kaifu] You referred to my actions in the recent election campaign. Before the election, there was a feeling of crisis within the party that unless we face the lower house election with the thinking that should the party fail to win a majority, if even by only one seat, the party will fall into the gravest situation since its formation. If one makes an issue of the good points and bad points in the party, to be sure, the problem of factionalism stands out.

For that reason, we agreed on the principle that we should eventually repair the damages caused by the system. But, the fact is, there are factions now. And I don't know whether I should mention it, but you were the ones who wrote about how factions were made up in the LPD and to which of these factions each lower house candidate of the party belonged, and that view of the party is now the conventional wisdom in society; that is a fact. To be frank with you, I did ask for cooperation from the heads of the various factions. I stressed that we must not lose in the election and let the situation like that which exists in the upper house happen again. I asked for their cooperation, sincerely desiring to consolidate all the power of the LDP, and to put to good use the good points of the factions.

However, since the day of the official filing of candidacies, I did not engage in any factional activities in my campaign tours as party president. I conducted my campaign tours as party president from the first day to the last in the name of the LDP as a whole in accordance with plans set by the party headquarters. Although there may have been all kinds of criticism, it is a fact that I fought the election battle with the thought that I had to work very hard to eliminate the evils of factionalism.

As to the stern criticism on the formation of the cabinet you just voiced, the Kaifu cabinet is a cabinet of dialogue and reform. Let us first look at dialogue. One man alone cannot make politics work, and I do not think that one can do things perfectly with the wisdom of one man. In forming the cabinet, we invited the four executive officials of the party to the cabinet formation headquarters. The four party officials are all detached from factions. It is a fact that I discussed with the four officials how to solve the problem and how to deal with the matter. It is true that I created a cabinet formation headquarters and held discussions with party officials. The reason the process took so long is because we did things in the spirit of dialogue.

[Reporter] You just talked about something like the usefulness of factions. Certainly, the LDP's vitality comes from the competition and rivalry among factions. However, when we look at the cabinet formation process, I think that it is doubtful whether the factions are indeed acting with an attitude of party unity. At this early stage, there are already calls for dismissing Kaifu in favor of other factions. Do you think that the LDP's vitality is possible through this framework of party unity among factions? Don't you think you will be confronted with a very difficult situation in the Diet? Don't you think there is danger of the foundation of the Kaifu cabinet being shaken by factional conflict? What are your views?

[Kaifu] There may be various views and opinions on that. However, the entire party membership is fully aware of the fact we must join efforts and unite to overcome things. Although it is a fact that factions do exist, when it comes to their usefulness and factional splits... [changing thought] It was precisely because of the concern that should factions come to the fore and what

would happen to the LDP, as you just pointed out, that the party's outline for reform for the purpose of eliminating the evils of factionalism was drafted and adopted last year. I do not think there is anyone who would openly negate that and act in violation of it. At today's cabinet meeting, we also decided that cabinet members should withdraw from their respective factions. At the party level, we likewise decided that party officials should withdraw from their factions and shift to managing the LDP in the interest of the whole party. From a long-term point of view, the reform of the election system should also be undertaken in the long process of promoting political reforms in the future.

Let me change the topic. Inside the party, we are also in the process of discussing the question of the existence of factions and how we should eliminate the evils of factionalism in the process of political reform. Unmistakably, we are leaning in the direction of eliminating the evils of factionalism.

[Reporter] I would like to ask you about the steering of the Diet. As the Diet goes into vigorous deliberations, I think that a basic question would be what to do with the phenomenon of asymmetry [nejire] between the upper and the lower house, as you said a while ago. You said that you will talk with the opposition parties. How do you intend to do this in concrete terms? Do you have a certain vision? Please tell us about it in more detail.

[Kaifu] You are asking me how we plan to proceed with negotiations with the opposition parties. We had negotiations with them when we dealt with the Basic Land Law and the Pension Law in the last Diet session. This time, if we have to negotiate with them on the consumption tax, we will do so. You are asking me to be specific. What I would like to say is that we should not think we can do nothing in the upper house because the opposition parties have a majority there. I believe that democracy would be useless in Japan if we start by having no hope for negotiations.

I believe that even though the opposition camp holds a majority in the upper house, if we explain the content of the matter with sincerity and have it discussed and reviewed, then we will be able to make progress just as we did with the Basic Land Law and the Pension Law. I think discussions should henceforth not be on whether the consumption tax should be abolished or revised, but on what indirect taxes should be in a mix of direct and indirect taxes. In fact, the opposition camp previously had a specific proposal on indirect taxes. If they continue to present such a proposal, there should appear points of agreement. In pursuing such points, we will come to find common ground here and there. I believe that we must make such efforts. In the course of such activities, the ruling and opposition parties can form ideas and have a frank exchange of views. I think that is how we should start.

[Reporter] I would like to ask you about the consumption tax. Mr. Prime Minister, you referred to revising the

consumption tax during the election campaign. Within the LDP there are views that the need for revising the consumption tax or the nature of the commodity tax should be put into official writing, and this indicates that the views of some party members do not necessarily match the views of the general public. Diet deliberations on the supplemental budget for this year and the new budget for next year will soon start. Debate on the consumption tax in the budget committee session and the plenary session will also start soon. What is the government plan on the consumption tax issue. I know my question is redundant, but I would like to hear your views once again.

[Kaifu] The government party did speak about a plan to revise the consumption tax, and the plan of the government and the ruling party is one that has been explained before. I myself explained the content of the plan in detail during the debate of party leaders and while on my stumping tour. The tax is not a pleasant subject, but I pleaded for the public's understanding, saying that we need the tax and it needs to be supported by the general public. When the government instituted the tax last April, it did so thinking it was beneficial to the nation. The government, preceding implementation of the tax, also effected cuts in some other taxes and took actions to balance income, assets, and consumption. There were various considerations prior to enforcement of the tax. However, following the institution of the tax, the government, nonetheless, was met with criticism and consequently decided to revise the tax. We frankly told the public that a bill to revise the tax will be presented to the Diet. We explained in detail how we plan to deal with the issues of rent, education costs, welfare, and foodstuffs in the revised bill. We explained that foodstuffs would be exempt from the consumption tax at the retail stage and that only a 1.5 percent rate would apply at the distribution channel. There were diverse opinions, with some wholeheartedly supporting it. Our plan is to have the bill confirmed by the cabinet and referred to the Diet as soon as possible for discussion by the governing and opposition parties. That is our plan.

Some people have called the recent elections a national referendum on the consumption tax. In all modesty, in this sense, the people have supported the draft revisions the party and the government campaigned for to a certain extent through the referendum; that is, if we call it a referendum. However, we fought the election not only on the issue of the consumption tax. In all modesty, we fought the election on various issues ranging from foreign policy to all the other domestic issues in addition to the consumption tax. We hope that the draft will be examined and deliberated upon in the Diet and that the draft bill will be adopted.

[Reporter] In that connection, Mr. Prime Minister, there has been a reversal of the governing and opposition parties in the upper house. During the recent emergency Diet session, an opposition resolution passed by the upper house and presented to the lower house would be rejected, while a government bill would not pass the

upper house. There is this phenomenon of reversal. You said earlier that you would talk with the opposition parties sincerely. In concrete terms, if the situation turns out to be what I just described, would sincere discussions be possible? Do you plan to create a council of governing and opposition parties? What are your views?

[Kaifu] During the last session, after a bill passed by the upper house came to the lower house, it was not debated, and as you all know, there was not enough time to conduct sufficient deliberations. In that sense, it was very regrettable. If we determine right now that we will exchange harsh demands, that the government's revised bill will not be passed, and that opposition bills will not be passed in the lower house, then it will be in defiance of parliamentary procedures. In discussions, as I mentioned earlier, on the ratio of indirect taxes, an opposition official responsible for policymaking explicitly cited the figure seven to three. That coincides with our own calculations. Therefore, I think that idea might be a meeting point. If the ratio is set at seven to three, in terms of the estimated revenue for next fiscal year, which will be approximately 60 trillion yen [Y], indirect taxes should amount to Y18 trillion. The government has a revised bill to account for the Y18 trillion in indirect taxes. What about the opposition parties? If you ask what plans they have to account for the Y18 trillion in indirect taxes, I am sure they will be different from the government plans, both in name and form. However, if they present a bill, we can find out on which indirect taxes agreement can be reached.

For instance, we can find out where agreement can be reached on asset taxes or in the scale of tax cuts. After extensive discussions, I believe that points of compromise will appear. I am counting on it. If compromise is absolutely impossible, both parties will have to think of a way to effect a breakthrough. If we let that situation continue, where all bills submitted are rejected, then it would not be good for Japanese parliamentary politics. In such a case, the situation will call for frank discussions of a higher order. I do not think I can talk in concrete terms just now on what sort of council or what sort of situation they will take. For the time being, the venue will be the committees, or meetings of officials responsible for policymaking of both parties. There are venues for discussions that we have made use of thus far. We hope to have intensive deliberations through them. It is most important to engage in talks with sincerity. I feel that if we set harsh demands beforehand and give up as soon as our conditions are not met, then holding elections and the existence of the Diet would be meaningless.

[Reporter] Let me ask again about political reform and ethics. This is related to the questions asked in the beginning. Looking at the composition of the new cabinet, I get the feeling that a line has been drawn to a certain extent. On the other hand, the choice of party officials seems to contradict that. What do you think led to such an outcome? This is my first point. Second, the basis of political ethics lies in the consciousness of each and every Diet member. There are already some people

who fear that because of the LDP's election victory, such consciousness has faded. How do you view that? Third, on specific measures for political reform, I would like to ask what sort of schedule you have in mind?

[Kaifu] I will talk about basics. In August last year, when I was elected, you said that the LDP was in its most serious crisis since its founding. We realized that. The whole party repented and discussed why the party was in such a crisis. We also exerted various efforts. In the process, we humbly repented the fact that the LDP had not been able to establish a system capable of withstanding the people's criticisms and thus created an LDP political reform promotion headquarters. It was not a question of who was in the wrong.

The point is, all LDP members and politicians, as you just said, should take upon themselves the responsibility of establishing political ethics. However, can we say that it is enough if each individual feels such a responsibility at heart? No. It was precisely because that did not solve the problem that the LDP had its worst crisis since the founding of the party. The party drafted an outline for political reform last year and set down various measures for political reform. Therefore, it was not a question of who was in the wrong. Unmistakably, the objectives of the political reform outline are the reform and rebirth of the party as a whole. In the same vein, a bill to amend the Public Office Election Law was presented by a number of Diet members in the last Diet session and was adopted after being deliberated upon by the governing and opposition parties. I think the first step that the governing and opposition parties should take to cleanse the relationship between money and politics and their own election campaigns is to hold extensive discussions.

On the Political Funds Control Law and the law on publication of assets, which have been submitted but have not been adopted, we will have to continue efforts through discussions between the governing and opposition parties, if only to effect a self-purification. I think these would be initial steps to political reform that we must undertake in the interim. However, the basic thing is to cleanse the relationship between politics and money. When we look at the collection of political funds in Japan, most of it is individually based. There is also the fact of life that politics has become expensive. On that issue, I believe that—as the party political reform outline has pointed out, and as is the practice in Europe and the United States—provisions should be written into the Political Party Law to authorize public funding of political activities, as is being done in the European countries and the United States, because political activities are conducted not for the sake of individuals but for the public. I think we should also discuss the pros and cons of the fact that individuals have to spend too much time and effort in raising political funds. That is one issue I have asked the Election System Investigation Council to look into. After receiving recommendations, I will respect them and make public political funding a comprehensive concept. On the other hand, we will also have to think about what to do about the remaining

portion. I think that issue has two aspects; but there is one more thing, and it is not just the question of money.

Basically, I think an election is a contest between policies. How can policy-oriented election campaigns become possible? There are also discussions about the distribution of seats in the electoral districts. I have also asked the Election System Investigation Council to consider that. I am anticipating a recommendation. Based on the recommendations, from a long-term viewpoint, we need a framework for policy-oriented and inexpensive elections in which the necessary expenses will come from public funding. Thus, the relation between politics and money will become clear and clean. We would like to make it possible for individuals not to have to raise funds by individual effort. I think implementing such measures simultaneously is the great goal of political reform.

In that connection, it was mentioned in an earlier question that factions have come in for criticism by the people. Eliminating the evils of factionalism gradually has more to do with LDP party reform than political reform. After extensive discussions, a conclusion has been reached in the party political reform outline. I would like to continue efforts in that direction.

[Reporter] My question concerns the subject just discussed. Specifically, I mean the substance of the election system. Today, some seem to argue that it might be better to introduce a small constituency proportional representation system. Mr. Prime Minister, do you have a plan taking into account that argument?

[Kaifu] Regarding a small constituency proportional representation system, there are a variety of systems in effect in various countries. From the position of respecting the minority opinion expressed by minority parties, I have the impression that the so-called representation system has taken root in Europe. However, there are two sides to the intermediate constituency system, as well as the small constituency system. When two or more candidates from one party ran and competed in the same constituency, because their policies were almost identical, I watched the developments carefully thinking that it must be a very painful experience for the candidates. I presume everyone felt the same way. Therefore, to make it possible to hold elections with the first consideration given to policies and to enable local party chapters to carry out electioneering activities with greater power, I think it should be one of the areas to be addressed in the reforms.

There are various ways to set up constituencies or the election system itself. I hope to have it debated actively in the party and thus obtain a party consensus. The election system is not for the LDP alone; the opposition also takes part in elections. It is very important that the government and opposition debate and agree in the Diet. Since the LDP has already clarified its views and goals in a broad sense under the political reform outline, the party will further refine it specifically. I hope that the

opposition will also debate it thoroughly. It is an issue requiring thorough debate through dialogue between the two sides, taking various precedents in the world for reference. All parties and floor groups have expressed their respective views on the issue. I hope to help advance it. This year is said to mark the centenary of the beginning of our parliamentary system—I believe it is an appropriate time to consider the issue. I also think it is important that we consider it at this time and keep pushing it forward.

[Reporter] Mr. Prime Minister, I now want to ask you about foreign policy issues. First, Japanese-U.S. relations. Mr. Prime Minister, you are scheduled to visit the United States the day after tomorrow for summit talks with President Bush. We have been told that the meeting will deal with Japanese-U.S. relations based on global partnership. Now, are you thinking of specific subjects to discuss? And, naturally the structural [impediments initiatives—SII] issue is expected to be taken up at the meeting. Do you have some kind of a proposal or an answer to offer at the talks in response to the demand by the U.S. side?

[Kaifu] First, I want you to remember that, because I still have not obtained the Diet's approval, I will speak on condition that the Diet approves. Last September I had summit talks with President Bush, at which we were able to establish our personal relationship of trust and exchanged frank views on the positions of our two countries. In that regard, I think that the talks were very significant. The axis of Japanese diplomacy, I think, is of course Japanese-U.S. relations. I do not think that the relationship is so small-scaled as to allege that it is limited only to the issues of Japanese peace and security based on the Japan-U.S. Security Treaty.

As you may be aware, it is a treaty that not only stipulates the issues of peace and security, but also touches on a wide range of bilateral relations, including economic cooperation and the improvement of welfare conditions. It even has clauses on those. If you read its substance carefully.... [changing thought] I have been perceiving it as something like a basic Japan-U.S. friendship treaty. As a matter of fact, our course to date from the postwar days—be it in trade or in the acceptance of lifestyle and culture—I think Japan has received quite a lot of encouragement and goods from the United States. [sentence as heard] The current world trends show that there has been a drastic change in the structure of East-West opposition and confrontation, in which the United States is at the top of one side and the Soviet Union at the top of the other side. It is now a new era in which the United States and the Soviet Union agree to work for a new world order through mutual cooperation. This era is not one in which one country holds sway over the world by power or in which countries seek power confrontation. If relations with the United States are the axis of Japanese foreign relations, there are global issues that make it incumbent upon Japan to deal with the United States in thorough consultations about how

Japan will be able to participate in and contribute to liberal democracy and the market economy in the new world order.

When I receive signed letters from the President, it was either that he made proposals regarding global issues like the global environment, narcotics, and various other issues, or that I expressed my views on them. [sentence as heard] Indisputably there are no national boundaries to air and water. Air and water, which can move freely without passports, are now polluting the earth. If, under these circumstances, each country thinks that there will be no problem so long as it keeps its own country clean, the global environmental issue will not be resolved. So, the global environment is a global issue that must be resolved by those countries that have experience, have the needed technology, and have been dealing with pollution and other problems by pooling their strengths. This is a subject agreed on between Japan and the United States.

Since early this year I have been informed by President Bush of his wish to exchange views on global issues without fixing the agenda. Immediately after the election—I believe it was on 19 February, if my memory is correct—he offered to me his congratulations on the election victory and asked me to meet him soon. So, when I meet him this time, there will be no specific agenda items to be taken up. When he gave me a call the other day, he proposed not to fix specific subjects and not to require any decisions. He said that we can exchange views on the European issue, where I toured recently; various global issues; and bilateral issues between Japan and the United States. He proposed to exchange frank views without fixing agenda items.

I think that it is important for future Japanese-U.S. relations that I meet, as much as my time permits, and exchange frank views on such occasions. At present—what shall I call it?—only the negative and dark side in the Japanese-U.S. relations is magnified and even a critical situation is being mentioned. On the other hand, we should not keep talking only about such things. Basically there is partnership between our two countries and we are important like-minded countries. In that regard, I think that we must resolve issues through quiet dialogue while relying on our common ground. I think that this basic posture is important.

In the area of the Japan-U.S. structural impediments initiative consultations, the Japanese side is exerting as much effort as possible and accumulating results in various ways. Our two countries are holding talks at respective levels on those issues. In addition to talking at those levels on detailed subjects, we also meet for summit talks and exchange frank views on future Japanese-U.S. relations. I think it is not in the interest of Japan-U.S. relations to emphasize points of disagreement or differences only, focusing on, enlarging, and strengthening those areas only. Both Japan and the United States.... [changing thought] Reading the latest presidential State of the Union message, it shows that the

United States, too, is making efforts in various ways on the savings issue by providing a special tax system, or is striving to reduce fiscal deficits. We can tell very well that the U.S. side is also making efforts, listening to what Japan says.

The Japanese side, too, has been doing its best to promote imports and pursuing a policy of expanding domestic demand in an effort to make Japan an importer, a giant importer. Accordingly, imports have been increasing rapidly. Imports from the United States have also been on the increase. Thus, the trade imbalance between Japan and the United States, which exceeds \$50 billion and was once invoked like an incantation, has been brought down to \$45 billion. The difference is actually no more than a petty sum, and I have no intention of emphasizing it here as a significant decrease. But the trade imbalance stayed at more than \$50 billion for three years and the SII talks are supposed to be a venue established to do something about that trade imbalance. The Japanese side is making efforts, trying to reduce the imbalance, and striving to further promote imports by establishing a tax system designed to promote imports—not in words only, but we are making practical efforts in the taxation system. We have also continued all along to maintain business activity through expansion of domestic demand. However, because that alone is said to be inadequate, we decided to do more and we are trying to reform the tax system in 1990 on the basis of the Basic Land Law. Both the government and the governing party are working earnestly in such a way as to convince everyone that they are doing well to improve the relationship between Japan and the United States. We are doing so in the belief that it will be better for the Diet to take up the various issues under consultation and act by making policy efforts politically. I think that we need to hold thorough talks, taking the future prospects of those things into consideration, too.

[Reporter] My question concerns the SII talks. It seems that, at the SII talks the other day, the U.S. side specifically called for an increase in the rate of investments in public works to 1 percent of the GNP, the repeal of the Large-Scale Retail Store Law, and the strengthening of penalties under the Antimonopoly Law, and complained about the Japanese side's response. My question might overlap with the last question, but are you thinking of bringing a specific answer to that call to the summit talks?

[Kaifu] Let me see. When I received a phone call from President Bush and talked about various matters the other day, the President did not bring up those things but, from a more basic and broader position, proposed that we talk about the various issues I had observed during my European tour last time and discuss broad global issues. That probably means discussing the global environment issue, which has, to date, been discussed in various ways; how to respond to the issue of accumulated debts of developing countries; and how to address the issue of starvation in the countries of the south. For my side, I have mentioned the issue of peace and prosperity

in the Asia and Pacific region. Japan wants to make efforts to take active initiatives so as to ensure that the changes realized at Malta and in Eastern Europe are not limited to Europe alone, but affect the Asian and Pacific region as well. In so doing, however, we want to accomplish various things, coordinating policies properly with the United States and taking joint actions. I have mentioned those things and I think that those major issues will also be discussed.

Regarding the Japan-U.S. SII issue, experts from the two sides met and the investment and large-scale retail store issues were brought up last time, as you mentioned. While speaking to each other about our positions and telling the other side what each side has done and what should be done by the other side, we progressed so far as mutually proposing that we present papers to each other in April. That is in progress at the moment. President Bush told me: [Kaifu smiles] You worked so hard. Congratulations on your sweeping victory. He said that only recently when I was sweating through the election. So, I do not think that he expects the papers to be completed just a couple of days after the experts' meeting. Should that subject be brought up by the President, we would refer it to experts' talks as before. From a long-range viewpoint, however, long before the Japan-U.S. SII talks began, Japan had lagged in the area of social overhead capital. So, the government must further enrich the social overhead capital. As you all know, the government has 15 medium-range plans pertaining to the social overhead capital. Eight of them, if I am correct, are targeted for completion next year.

Japan has been continuing to make untiring efforts to accumulate social overhead capital in a planned way. To be sure, either a zero ceiling or a minus ceiling has continued since 1982 and, consequently, investments in public works have leveled off for the past six or seven years, as you all know. For three years, however, non-interest expenditures in public works through the sales of NTT [Nippon Telegraph and Telephone Corporation] shares.... [changes thought] Although last year the government inevitably ended up with a budget formulated without sales of NTT shares, the budget for public works expenditures was still scaled at 2.3 trillion yen, or the same amount as in the preceding year. The government is making efforts that way so as not to let expenditures for such projects decrease, but rather enrich public projects.

The local activation policy, or what is popularly called the hometown [furusato] development program, was initiated to further expand and raise it to a policy of activation for various localities. To this end, a forum has been created, and it was deliberated on last year. With respect to public works, Japan is making every possible effort and has been continuing projects, knowing that Japan lags behind in that sector. I will honestly talk about those things and, if asked, I will also express our frank views on those things that Japan should carry out by its own effort for the qualitative betterment of its national life. Should the SII talks on the whole be taken

up, I will explain the efforts we have made to date and I think it will be appropriate to show the efforts we have made. Above all, I think that it will be important to talk honestly and frankly.

[Reporter] Regarding the SII talks, it was said in the United States that they were a failure. The following day, the President called you after midnight at the hotel where you were staying, and I think that is why you say you were extended an exceptional invitation. I also think that it shows the tenseness of Japan-U.S. relations. However, you have said at this press conference many times that there are a variety of issues to be resolved. Don't you think that your trip to the United States is a very good chance, in view of the seriousness of the tension? Are you planning to make some kind of a gesture, show something, or give some message to the American people?

[Kaifu] I do not think I have to make particular mention of the telephone call I received from President Bush as something exceptional. From now on we will be at ease when we meet each other and exchange frank views, just as President Bush himself is doing with the European leaders. Because the telephone is quicker and more reliable than letters, I will exchange views in keeping with our personal relationship of trust. I never thought it exceptional that President Bush used the telephone to make his proposal even though it was in the middle of the night, because there is a time difference between Japan and the United States. In such instances, I myself will make trips when it suits my convenience and will keep exchanging frank views at all levels. Frankly, I think that this is necessary for removing misunderstandings or differences, if any, between the two countries. Therefore, I think it will be good to meet and talk as much as possible. I think it will be better to do so at all levels.

[Reporter] In your opinion, do you think that the Japanese-U.S. relationship will deteriorate in connection with the economic issues?

[Kaifu] I do not think in the least that it will deteriorate, nor have I the slightest intention of seeing it deteriorate. We are holding economic consultations now with the aim of getting along well. Under the Super 301 Act, they laid their finger on three areas of ours. In response, we said that we would not comply with talks that presuppose sanctions, but we would try to resolve with sincerity those issues that should be resolved through talks. I think that we have won their understanding of the fact that we are striving to prevent the three areas at issue from deteriorating, and instead improve them. Inasmuch as we treasure Japan-U.S. relations, we hope to try to prevent our economic relations from worsening. Basically, that is our view.

[Reporter] Well, then, I would like to ask questions about the next task in foreign affairs. I have two questions on the drastic changes in the Soviet Union and Eastern Europe. One concerns how you feel, Mr. Prime Minister, about those drastic changes, and how Japan

plans to cooperate with the democratization carried out in various Eastern European nations. The other concerns our diplomacy with the Soviet Union. How do you plan to improve diplomacy with the Soviet Union, including the northern territorial issue which is a very complex problem? And also, I would like to know the future prospects in this connection. President Gorbachev is scheduled to visit Japan next year. Would you please state your views on the issue, including his visit?

[Kaifu] First, you asked how I feel about the changes in Eastern Europe. In a word, I think the best example is the Berlin Wall. The Germans who share the same history, culture, traditions, and educational level have been separated by the Wall for 28 years. After living separately under a liberal democracy and a socialist controlled economy for 28 years, they have now come to realize a great difference. And there has been no change in the trend of East Germans moving into West Germany. They strongly wished that somehow or other the Wall that they had tried to cross over could be removed. And they now have strong desires to live in freedom. These people cherish such a hope, not because they find it hard to make a living or because they have no skills in making a living. In fact, they can make a living and they have skills. But they still want to move. And I think it is because they sincerely want to live in freedom and be able to live an affluent life. As a result, such expectations have become a major trend in Europe. Hence, the term socialist has been removed from the nation's name in a certain country. And as all the people in various nations in Europe are now engaged in efforts to shift to a liberal economy even though they may have to suffer a little, I think it is a historical trend.

Nevertheless, I have no intention at all of regarding that trend as a victory for liberalism or the defeat of socialism. Neither do I intend to discuss the trend on the basis of that view. Now, the world has thus changed its course at great pain, and history has indicated a correct orientation. In postwar years, we, the Japanese, have become capable of enjoying an affluent livelihood in our daily and ordinary life in a bright society under liberalism and a market-oriented economy. Therefore, if any nation should want to shift to such a system, we should positively offer our hands to and cooperate with the people who have suffered under the socialist system until recently. We should not only provide economic cooperation, but also agree to technology transfer. Or even, personnel should be sent to work with them and help them build their nations. Those are precisely the measures we must take if Japan wants to contribute to the international community.

In that connection, I am all for the defusion of confrontation between East and West in Europe and also in favor of moves to overcome the idea of the Cold War, to establish a new order. This trend has given an impetus to integrating the European Community, and that integrated EC, in turn, will be further expanded into a bigger whole called the All-European Home. And I think that trend is certainly a very desirable orientation. At present,

the Europeans are vigorously pursuing that cause. We should try to see to it that the trend has a favorable influence in the Asian-Pacific region. In Asia, war is still going on in Cambodia, and confrontations involving military strength still exist on the Korean peninsula. There are many problems that have to be resolved. However, I am determined that Japan must do its best to cooperate with other nations in shifting, on a global scale, from confrontation to cooperation and also in creating a global order in which all of us can enjoy our lives while seeking freedom and democracy.

During my tour of Europe early this year, I tried to find out what measures could be taken and also to introduce my philosophy that Japan would participate in their endeavors. These are the ideas that I hope you will understand.

And the second half of your question concerns how Japan would promote its diplomacy with the Soviet Union. It is beyond any doubt that the Soviet Union is a major power and an important neighbor of Japan. However, it is regrettable that the territorial issue has not been solved yet. The settlement of the territorial issue to conclude a peace treaty and to establish a genuinely stable relationship is one of the major tasks of our diplomacy. Concerning that issue, as you all know, a working group on the peace treaty has been organized and it has started its consultations. I exchanged views frankly with Mr. Yakovlev when he visited Japan last year. However, I cannot answer your question about the prospects at the present stage because there are no definite prospects. In talking about the territorial issue, we cannot say that there will be certain results if certain actions are taken. When former General Secretary Abe visited the Soviet Union as our party representative last year, I wrote a personal message and handed it to him. And I listened to his report right after his return to Japan.

I sincerely hope that such efforts, taken together, will serve to improve our relations with the Soviet Union, and lead to greater advances one step at a time. Perestroika, which is now being carried out in the Soviet Union, is demonstrated as new thinking in its diplomacy. And if that diplomacy of new thinking should appear in Asia, I feel that we should promote our relations with the Soviet Union as extensively as possible in various fields.

In this connection, we received and held talks with a Soviet economic delegation last November. And in the future, I am determined to make efforts to stabilize our relations with the Soviet Union by promoting such measures as personnel exchanges, possible exchanges in concrete terms, and talks on issues in various fields at the foreign ministerial or other levels.

[Reporter] In addition to our relations with the Soviet Union, I would like to ask you about our relations with China, and the Korean peninsula, our neighbors in Asia.

My first question concerns China, and the third yen-based loan to China. I am sure preparations have already been made in that connection. However, the plan has not been actually put into effect yet. What is the major reason for that? And also, is there any major (?precondition) for removing the freeze from the loan program? For example, Fang Lizhi, a Chinese physicist, is still staying at the American Embassy in Beijing. Will his departure abroad, for example, serve as a (?precondition)? I would like to ask you to answer these questions?

As to the Korean peninsula, one of the major issues connected with our relations with the Republic of Korea concerns the legal status for the third-generation Koreans residing in Japan. As that issue is now closely related to President No Tae-u's visit to Japan, I think that the situation now dictates some sort of a political settlement.

And my last question concerns the improvement of our relations with the Democratic People's Republic of Korea. Not much improvement has been made in the Japan-DPRK relations since last April when the then Prime Minister Takeshita issued a statement. Therefore, do you plan to take any initiatives to improve the relations? Please answer all these questions.

[Kaifu] Let me answer your first question on China. Since the Tiananmen incident on 4 June, China has distanced itself considerably from the Western nations. And as you have just pointed out, our relations with China have remained stalemated since then. But as you may know, various participating nations at the last summit indicated their serious attitude and humanitarian concerns over the incident. However, I feel that China should not be isolated, and that China's isolation is undesirable for world peace and stability. We have been informed through various channels that China will continue to carry on its open and reform policies. And it seems that there is no doubt about its basic posture in carrying on the open and reform policies.

Furthermore, when State Councillor Zou Jiahua visited Japan not long ago, I met with him and held talks on various issues. And the Japanese side has started contacts. As for projects related to the third yen-based loan, we have provided and are providing loans for follow-up projects even now. However, concerning the 810 billion yen [figure as heard] planned for the third yen-based loan, the processing of the loan is still at a standstill at the moment. However, I have watched the lifting of martial law imposed in Beijing as a signal, and I think that China should not be further isolated from the Western nations. At the last summit talks, I mentioned my views on the Chinese ideas and position, and said that China should not be isolated. I feel that Japan, as a neighboring nation, should assist China in carrying out its open and reform policies. Therefore, concerning the problems existing between China and the Western nations, I think efforts should be made to prevent China from distancing itself further from the West.

On the other hand, while requesting China to take measures so that other nations can get closer to it and to really cooperate with it in promoting its open and reform policies, I would like, in our position as an Asian nation, to inform the Westerners that such cooperation is of great importance to world peace and stability, and particularly to Asia. And in fact, I have been making such remarks. Maybe it is not good to repeat them because the contents may bear on each other. However, now that China has set up the State Education Commission to carry out educational reform and to introduce the compulsory educational system, we should notice, from the long-term perspective, that China is now seriously engaged in promoting its open and reform policies. China has done a lot of work, and it has also expressed its wishes to listen to Japan's opinions. Judging from the fact that we have held talks on various issues, we should look at China's open and reform policies as well as its moves toward democratization from the long-term perspective. That is what I think.

The issue on the legal status of Koreans residing in Japan involves the status of second-generation and third-generation Koreans. I think that we have consistently made positive efforts to settle the issue. Moreover, because the ROK is a neighboring nation, I feel that we must further strengthen our friendly relations by holding comprehensive talks.

And concerning the last question on our relations with North Korea, we should note that for the sake of Asia, the confrontation or tension on the Korean peninsula must be eliminated. And we have offered through various channels [words indistinct] that if it is necessary for Japan to take the initiative in that connection, Japan is willing and will be ready at any time to have contacts at the governmental level with North Korea and other nations concerned. And we would like to implement that proposal one way or the other.

Another problem that concerns our relations with North Korea is the issue involving the No. 18 Fujisan-maru. To settle that issue, we have asked, through various channels, for North Korea's cooperation. However, many problems still remain unsettled. In that connection, it will be necessary to start governmental talks to promote our stabilized relations. We sincerely hope that we will be able to have talks with the North Korean Government, and that we will be able to bring about stabilized relations through such talks. And whenever we the opportunity we send that signal.

[Reporter] Mr. Prime Minister, I have another question on diplomacy. When we take the first half of this year into consideration, we notice that summit talks will be held in the United States in July, and the U.S.-Soviet summit talks are scheduled for late June. Following your visit to the United States, or particularly during the golden week [long vacation in late April and early May in Japan], during which previous prime ministers used to make a trip abroad every year, Mr. Prime Minister, do you have any plans to take advantage of such an occasion

to visit any nations, for example the ASEAN nations, or do you plan to have another meeting with top leaders of the Western nations prior to the summit talks? Although it may have to depend on the convenience of the host nations, would you please tell us your plans?

[Kaifu] At this moment, I cannot give you any definite answers. However, as you have just mentioned, it is true that during that period, previous prime ministers of successive administrations would concentrate their efforts on handling issues connected with foreign affairs. Moreover, there are certain nations earnestly requesting my visit. I will take various factors into consideration, and I will make such a tour if the situation permits. However, I have nothing to tell you right now. You will be informed when the decisions are made.

[Reporter] Next, let me please ask you a couple of questions concerning domestic issues. In the wake of the LDP election victory, both the stock market and the value of the yen dropped drastically. Mr. Prime Minister, how do you analyze this and what measures are you considering in that regard?

[Kaifu] Well, have they fluctuated as a result of the general elections? [laughter] Did they not rise before the elections?

[Reporter, laughing] No, it was immediately after the elections.

[Kaifu] I do not think so. In my opinion, there were a variety of reasons for the rise, which can be attributed to the stock market situation last year. This year, there have been actions, or adjustments, to that, I think. In addition, recently, such factors as the rise in interest rates and the fall in the yen's value have emerged, making external conditions unpredictable. I think that those factors are responsible for the fluctuations. In the case of Japan, however, market activity has continued to expand for 38 months, as you all know. Economic fundamentals are very good, and prices and employment have also been very good. So, I would say that it is a matter that is properly addressed by the market itself. A check of the volume of transactions shows that there was no rush of large-scale purchases but only small-scale dealings. I understand that stock averages rebounded Y576 yesterday and Y571 in morning trading today. I do not know if these are only a small part of the big stock wave, but as the averages rebounded yesterday and today, I think that the situation will be dealt with by the stock market as a whole. The fundamentals of our economy are good on the whole. So, please do not worry. The result of the general elections [laughter], I am telling you, has no direct bearing on the fall of stock prices. I hope you will understand the fluctuations as part of readjustments following the sharp rises registered since last year.

[Reporter] Mr. Prime Minister, you have mentioned various tasks in domestic administration. During the elections and also at other times, you emphatically called for a fair society and fair politics. In realistic terms, what do you perceive to be inequitable and unfair in this

world? Would you please cite an example and tell us in specifically how the problem can be resolved?

[Kaifu] I believe that there are a number of phenomena that fall under the category of inequality or unfairness. You ask me to cite a symbolic example. Well, I think that for the past few years, land has been a good example. Land prices have soared in such abnormal ways, and there is a remarkable gap between the haves and have-nots with respect to land. If this reality should be taken for granted by society, there would be a myth about land, that land is something to make a sure profit with. In my opinion, that sort of myth must not exist for the sake of a fair society. So the government and the opposition, as well as the people, should agree that land is for public utilization. It is inappropriate for land to be used as an object of speculation or profiteering. Everyone has that idea about land. In keeping with that, we did everything in our power to enact the Basic Land Law last year.

In a sense, it may result in the restriction of private rights. Seeing it from the viewpoint of the individual's rights and obligations in today's Japan, it is a law that gives precedence to public well-being. I think it is meant to keep the most noticeable thing in check in order to build a fair society, after all. Taking the basic land law into account, we should carry out land reform in various ways—possibly in terms of the taxation system or a system designed to utilize idle land. I hope I can help to smoothly enact such a law this year. I also hope to take measures to revise the taxation system as well. That is the most patent example I can cite.

[Reporter] Mr. Prime Minister, a weekly magazine, which was put on sale today, carries an article on Recruit contributions. Because the article also contains remarks made by your secretary, I believe you have been informed about it. [Kaifu appears surprised as several flash cameras go off] Before the opposition calls you to account in the Diet, as a prime minister who champions clean government... [changes thought] According to the article, you actually received Y26.3 million whereas you reported only Y14.4 million.

[Kaifu, looking surprised] Eh?

[Reporter] There is a detailed account,—including its breakdown. Do you intend to have the matter reinvestigated from your side?

[Kaifu] At one time I was questioned in connection with various figures and in the Diet I was asked if I did not receive more. Numerous figures went back and forth. My office investigated everything and included everything in the report—those for which receipts were given, those that were received as political funds, those received in return for party tickets, lecture fees that I remembered, and everything else. My office told me that it was everything. At least, I believe so. There are numerous allegations in this world, but it was everything, as ascertained by my side. That is what...

[Reporter, interrupting] There were records kept by the Recruit Company. It is presumed that some were seized by the prosecution authorities. The magazine says that the article was written on the basis of those things. Do you intend to request the cooperation of the Justice Ministry in conducting an investigation; in other words, checking not only your account books, but also those of the other side?

[Kaifu] I honestly investigated and reported on what had happened, but I am afraid it will be very difficult to prove what did not happen, that it did not take place. At the last meeting of the Budget Committee, the organization in charge of my political funds was questioned and was asked to submit data. The data included speech fees that totally slipped my mind. I had to have the matter thoroughly checked. So, data to be shown—I mean there is no way to prove things unless I thoroughly check the data, and it all depends on where it comes from.

[Reporter] On the very day your new cabinet is inaugurated, this sort of weekly magazine is put out. I am afraid that it taints the image of your cabinet. Do you not think you should be rather active in...

[Kaifu, interrupting] You see? There is no way at all to prove what did not happen to be nonexistent. For my part, I investigated and reported actively and voluntarily on party tickets, the money I received in political funds, speech fees that I received—which may not be political donations in their strict sense—and everything else. Unless you want to pass judgment on the basis of those things, I do not know what I can do beyond that. But, I want to add one more thing. All those things happened before the Recruit Company came under fire socially. For my part, to avoid making myself subject to misunderstandings or suspicions, I will take strict precautions, just as I swore before you gentlemen in our first meeting.

[Reporter] In their interviews yesterday, all the new cabinet members positively appraised the exclusion of Recruit- and Lockheed-implicated persons in the cabinet lineup. Can we believe that the same principle will apply to the appointment of vice ministers for parliamentary affairs, which will soon be announced—I mean those who received unlisted stocks?

[Kaifu] Those who received unlisted stocks...

[Reporter, interrupting] Those who claim that they bought unlisted Recruit stocks, or those who we call Recruit-implicated Diet members. In the case of cabinet ministers, those people, who were implicated in either the Recruit or the Lockheed cases, were excluded. How about vice ministers?

[Kaifu] I still do not know specifically about vice ministers for parliamentary affairs, but I believe it will be impossible. We are now carrying out political reforms in earnest. Will you please keep an eye on us and cheer us on?

[Reporter] Are you ready to talk with President Bush about the rice liberalization issue?

[Kaifu] I am afraid it is a subject for a different level, a matter to be discussed at a different level. I do not think that it should be an agenda item to be discussed between President Bush and me. As I have stated over and over again, I believe that the rice issue is a subject to be taken up at the Uruguay Round.

[Reporter, removed from microphone] [words indistinct] You called on faction leaders just before the elections. Do you mean that, from now on, you will not call on faction leaders in light of [words indistinct].

[Kaifu, laughing] Honestly, that was during the campaign. I was honest because I wanted to win by putting the party's vitality into full play. Please understand it on that score.

[Reporter] Are there any more questions? [pause] Well, thank you very much.

[Kaifu] Thank you very much.

Kaifu To Stress 'Will' To Solve Trade Problems

*OW0203102190 Tokyo KYODO in English 0943 GMT
2 Mar 90*

[Text] Tokyo, March 2 KYODO—Prime Minister Toshiki Kaifu will stress Japan's "political will" to resolve trade disputes with the United States during his two-day meeting with U.S. President George Bush this weekend, a senior government official said Friday.

"It is not likely Kaifu and Bush will discuss details of bilateral trade issues one by one within the limited time frame, but the prime minister will make it clear that Japan will take the matters into serious political consideration," said the official who requested anonymity.

Kaifu, who formed a new Cabinet Wednesday following a general election in mid-February, was due to leave Tokyo Friday night for Palm Springs, California, for talks with Bush.

Kaifu and Bush are expected to issue a joint statement which will most likely highlight the significance of the bilateral relationship with the urgent need to eliminate trade tension between them, the official said. "The joint statement after the summit meeting will contain Japan's political willingness in dealing with the current trade problems with the U.S.," according to the official.

Government sources said the Structural Impediments Initiative (SII) talks with the U.S. and other trade issues related to possible sanctions under the "Super 301" clause of the U.S. Trade Act will be among the top subjects of the summit agenda.

The meeting follows a series of separate bilateral trade talks held here on lumber, satellites, and supercomputers Monday last week through Thursday this week. The three issues will fall under U.S. trade retaliation under

"Super 301" in June if the two sides fail to reach agreement by then. In the trade meetings here, however, the two governments failed to make major headway toward the settlement of their trade row. A third round of the SII talks here Thursday and Friday last week ended with little progress and U.S. officials voiced strong dissatisfaction.

The sources doubted the likelihood of any major progress in the Kaifu-Bush meeting in the trade area, but noted the political determination to be expressed by the Japanese prime minister will serve as a backbone of future moves by his government and the ruling Liberal Democratic Party (LDP).

Foreign Minister Pledges 'Productive Diplomacy'

*OW0203060490 Tokyo KYODO in English 0510 GMT
2 Mar 90*

[Text] Tokyo, March 2 KYODO—Japanese Foreign Minister Taro Nakayama pledged before the Diet on Friday that Japan will actively engage in productive diplomacy in view of its increasing role and responsibilities on the world stage. Nakayama, delivering the customary foreign policy address at the opening of the new Diet session, said that in order to earn the faith of the international community, Japan must increase its global contributions and intensify its diplomacy.

"There can be no security and prosperity in Japan without peace and prosperity in the world," Nakayama told the House of Representatives. Japan's behavior and the way in which it meets its global responsibilities has a major influence on the attainment of those goals, he said. Underlining Japan's heightened global stature, Nakayama pointed out that Japan accounts for some 14 percent of the world's gross national product (GNP), possesses an extremely high level of technological expertise, and ranks as one of the top two donors of economic assistance. But he said Japan now finds itself in an increasingly unpredictable international situation, in which the world order is undergoing a "historical" transformation, both politically and economically.

In particular, the speed at which Europe has been swept by change has surpassed all expectations, while U.S.-Soviet relations have moved beyond confrontation and Cold War concepts, he said. While most changes are welcome indications of the increasing acceptance of the values of freedom and democracy, as well as the free market economic model, instability lurks in their wake, he said. Ideological confrontation aside, instability arising from cultural, historical, and other factors is also to be accounted for, he said.

In the economic arena, meanwhile, protectionism is rearing its head, the Third World debt problem has gained immediacy, and various "structural transformations" are taking place which call into question the postwar international economic framework, Nakayama said. Nakayama said it is important for the countries of the world to cooperate in the building of a new world

order based on dialogue rather than confrontation. In this regard, he pointed to a need to bolster ties within the Japan-U.S.-Western Europe axis.

Nakayama, who is to accompany Prime Minister Toshiki Kaifu to California for a summit meeting with U.S. President George Bush on Friday and Saturday, said relations between Japan and the United States are "basically sound." But in light of a chronic and massive trade imbalance, their ties have become strained in the economic sphere, he acknowledged. Therefore, the series of talks under way in the forum of the structural impediments initiative (SII) are "the greatest task today in Japan-U.S. Relations," he said.

Pledging his "utmost efforts" in moving the talks forward, Nakayama said they have a potential to both raise the Japanese people's standard of living and to strengthen America's economic competitiveness.

On security matters, Nakayama said that despite recent changes in East-West relations, international politics continues to be linked closely to the balance of power and the strength of deterrence. He said the Japan-U.S. Security arrangements, while serving as the foundation for the bilateral relationship, are also "indispensable," for stability and development in the Asia-Pacific region. Japan is determined to maintain and effectively manage its security arrangements with the U.S., while continuing to equip itself with a moderate defensive capability, he said.

Nakayama said it is important for Japan and the United States, owing to their combined influence on the international scene, to coordinate their policies and cooperate in solving global problems.

On ties with the Soviet union, Nakayama said that in order for the changes in East-West relations to become truly global, it is important for there to be a normalization of Japan-Soviet relations. But he tied the normalization process to demands that the Soviets return four islands off Northern Hokkaido which they seized at the end of World War II, after which he said a belated peace treaty could be concluded. Nakayama indicated, however, that Japan aims to expand overall ties with Moscow by striking a balance between its territorial demands and other aspects of the relationship. He said that while Japan supports the movement of perestroika (restructuring) in a favorable direction, it is still waiting for the "new thinking" in Moscow's diplomacy to be actively applied in the Asia-Pacific region, including the bilateral relationship.

In Asia, Nakayama said, it is ever more important amid the present fluidity of international circumstances for Japan to help ameliorate instability and ensure that the region will be not only prosperous and active, but also open to the rest of the world. Smooth relations between Japan and China are vital and it is important for them to get back on track as soon as possible by way of mutual efforts, he said.

Nakayama said official development assistance (ODA) continues to be an important component of Japanese foreign policy and an effective way for Japan to contribute to the international community through nonmilitary means. He said Japan has an invaluable experience to share that of having transformed itself from an economically underdeveloped country to an advanced industrial power. Apparently responding to criticism that has been directed at Japan's ODA efforts, Nakayama said efforts are being made to increase it qualitatively as well as quantitatively. While Asia remains the primary focus, Japan's ODA is becoming global in scope, encompassing Africa, the Middle East, and Central and Latin America, he said. Nakayama said it is important for Japan to help tackle such pressing problems of common concern to all of mankind as the environment, drugs, terrorism, human rights, health, and refugees.

Finance Minister Outlines Policy in Diet Speech

OW0203051990 Tokyo KYODO in English 0438 GMT 2 Mar 90

[Text] Tokyo, March 2 KYODO—Finance Minister Ryutaro Hashimoto said Friday that Japan will continue to liberalize its financial markets to meet economic developments in and outside Japan.

In a fiscal policy speech in the Diet, Hashimoto said it is highly important to promote the liberalization of the financial markets so as to make the economy more efficient and meet the diversifying needs of the Japanese people. Underscoring the need to ensure stability of the financial markets for sustained economic growth without inflation, Hashimoto said he will take appropriate action flexibly to keep foreign exchange rates stable in a flexible manner. It goes without saying that stability of currency and other financial markets is necessary to ensure continued economic growth, he said.

With regard to signs that land prices are rising again, Hashimoto said his ministry as in the past will exercise its right to instruct financial institutions on real estate-related lending.

Touching on ongoing trade talks between Japan and the United States on eliminating structural impediments to trade and investment, Hashimoto said Japan must tackle structural reforms vigorously as its own problem to increase the quality of the people's life. Hashimoto, however, did not make specific reference to the nation's public spending, one of areas raised by the United States in the Structural Impediments Initiative (SII) talks.

At a third round of SII talks held last week in Tokyo, U.S. negotiators urged Japan to increase its public spending to 10 percent of its gross national product (GNP) within next three to five years to improve social and economic infrastructures and promote imports. Japan, for its part, has said the level of Japan's public spending is high among major industrial nations and

insisted that such an increase could undermine the economy by triggering inflation.

As for the controversial consumption tax that went into effect last April, Hashimoto acknowledged there are some problems and pledged to review the tax by taking public opinion into full account. The ruling Liberal Democratic Party unveiled a plan last December to revise the tax, charged on almost all goods and services, but the opposition parties have demanded its abolition.

Economic Planning Chief on Living Standard

OW0203053090 Tokyo KYODO in English 0443 GMT 2 Mar 90

[Text] Tokyo, March 2 KYODO—Economic Planning Agency (EPA) Chief-Hideyuki Aizawa said Friday the government will strive for improved living standards for the people by reducing working hours, regulating land prices and narrowing the gap between prices at home and abroad. EPA Director General Aizawa told the Diet that Japan should promote "structural adjustment" to realize a higher living standard for each Japanese, whose annual income is the highest in the world.

A change has been taking place in the nation's sense of values and an increasing number of Japanese have come to place higher value on spiritual fulfillment than on material abundance, he said.

What he termed the structural problems include relatively higher prices at home, long working hours and sky-high land prices. Aizawa said the government plans to find out and publicize what is behind the wide price differences between Japan and other countries. In order to lower prices, the government will also boost imports, ease price regulations, ensure fair competition and lower public utility charges, he said.

He also said in the process for shorter working hours, the government will provide more job opportunities to women and the aged who want to work. He said he wants the people not only to work hard but to have their leisure.

The land law should be revised to dampen astronomical land prices, which make it difficult for citizens in urban areas to own their own homes and help increase their frustration, he said.

The new EPA chief also cited price stability, a steady foreign-exchange rate, and correction of Japan's trade imbalance as main problems now confronting Japan's economic policymakers. The government will do its utmost to maintain the current steady price trend, while paying heed to oil prices, the yen-dollar rate, and the supply-demand balance of the labor market, he said. Consumer prices are expected to grow 2.7 percent in fiscal 1989, ending March 31, and 1.6 percent in the next fiscal year, he said. Japan's huge trade surplus, meanwhile, should be balanced through import expansion,

increased direct overseas investment and greater economic assistance to developing nations, he said. Aizawa also predicted that Japan's economy, powered by brisk domestic demand and robust capital spending, would show a 4.6 percent growth in fiscal 1989 and a growth of about 4.0 percent in fiscal 1990.

Gorbachev Ready To Move on Summit Preparations

*OW0203103390 Tokyo KYODO in English 1013 GMT
2 Mar 90*

[Text] Tokyo, March 2 KYODO—Soviet President Mikhail Gorbachev on Friday sent a message to Japanese Prime Minister Toshiki Kaifu expressing readiness to move ahead with preparations for a Japan-Soviet summit in 1991 as scheduled, Foreign Ministry officials said.

Soviet Ambassador to Japan Nikolay Solovyev conveyed Gorbachev's letter, addressed to Kaifu, in a meeting with Foreign Ministry officials.

Gorbachev was quoted as saying in the letter that he is confident the 1991 summit will add a "new quality" to Russo-Japanese ties.

Soviet Foreign Minister Eduard Shevardnadze had promised that Gorbachev would visit Japan in 1991, but the concrete date is not known, the Japanese officials said.

Gorbachev Confirms Plan To Visit in 1991

*OW0203113890 Tokyo KYODO in English 1108 GMT
2 Mar 90*

[Text] Tokyo, March 3 KYODO—Soviet President Mikhail Gorbachev gave written confirmation of his visit to Japan in 1991 in a letter delivered Friday to Prime Minister Toshiki Kaifu, Foreign Ministry officials said. The letter was delivered by Soviet ambassador to Japan Nikolay Solovyev in a 25-minute meeting with Vice Foreign Minister Takakazu Kuriyama at the Foreign Ministry, the officials said.

The officials quoted Gorbachev as saying in the letter that he is convinced that the Soviet-Japan summit meeting in 1991 will be an important milestone and will add a new quality to the bilateral relationship. In that context, Moscow is ready to undertake the necessary preparations for the summit's success, Gorbachev wrote, according to the officials.

The officials said that while the Soviet leader's proposed visit has been verbally confirmed on several occasions in the past, Gorbachev's letter to Kaifu represented the most concrete expression yet of his will to follow through with the visit.

Meanwhile, Foreign Ministry spokesman Taizo Watanabe said that Kuriyama expressed Japan's "regret" that Soviet Foreign Ministry spokesman Gennadiy Gerasimov on Thursday announced the probable

postponement of Foreign Minister Eduard Shevardnadze's visit to Japan before officially informing the Japanese Government. Soviet diplomatic officials in Tokyo said Thursday that Shevardnadze, who had been expected to visit Japan in March, is unlikely to come in either March, April or June, due to his heavy political schedule.

Gorbachev's letter, which coincides with the start of Kaifu's new cabinet, also appears timed to offset the impact on bilateral relations of the postponement of Shevardnadze's visit.

In a meeting with Japanese Foreign Minister Taro Nakayama in New York last year, Shevardnadze said Gorbachev will visit Japan in 1991 and the foreign minister himself in March 1990, according to the Japanese officials.

Ministry Sources Deny Hong Kong Passport Report

*OW0203020090 Tokyo KYODO in English 0100 GMT
2 Mar 90*

[Text] Tokyo, March 2 KYODO—Japanese Foreign Ministry sources on Friday denied British newspaper reports that seven countries of the Western bloc including Japan are finalizing details of a deal to offer passports to key Hong Kong residents and their families who work for companies based in the seven countries. "It is all nonsense," one source said. The sources confirmed, however, that U.S. and British legislators proposed "an unexpected idea" of providing passports to Hong Kong citizens who decided to emigrate from the British colony following the military crackdown on the pro-democracy movement in Beijing's Tiananmen Square in June last year.

The latest move is apparently a bid to calm mounting fears among Hong Kong residents about Beijing's takeover of the colony of about six million people in 1997.

The reports on Thursday said Australia, Canada, France, the Netherlands, Italy, Japan, and Singapore are considering offering passports to senior executives and their families in Hong Kong who work for companies based in the seven nations. The sources described reports that the seven countries reached an agreement on the passport deal as totally groundless.

Mongolian Premier Visits; Views USSR, PRC Ties

*OW0103121690 Tokyo KYODO in English 1157 GMT
1 Mar 90*

[Text] Tokyo, March 1 KYODO—Mongolia's Premier Dumaagiyn Sodnom, who is currently on a historic visit to Japan, said Thursday that Mongolia will remain in the non-aligned group of 77 nations while pursuing cooperative and friendly relationships with the neighboring Soviet Union and China.

"Under any circumstances, having cooperative and friendly relations with our neighbors, the Soviet Union

and China, is a matter of concern for Mongolia's prosperity," Sodnom said at the Japan National Press Club.

Sodnom's visit, the first by a Mongolian prime minister to a Western-bloc nation since 1921 when Mongolia became communist, marks a major step for Mongolia out of the Soviet sphere of influence to pursue wider-ranging diplomacy. He is also the highest-level Mongolian Government official ever to visit Japan.

Sandwiched between the two big communist powers, Mongolia's close alliance with the Soviets strained its relation with China as the Sino-Soviet ideological conflict deepened in the 1960s.

Sodnom said Mongolia will maintain friendly relations in all areas with its "traditional partner" and promote relations with China as well. Sodnom, who earlier told Prime Minister Toshiki Kaifu that Mongolia is now conducting an "open diplomacy," noted Mongolia is confident that its closer ties with Western nations will not invite resistance, and that it will cooperate to prevent such feelings.

Prompted by developments in the Soviet Union under reform-minded Mikhail Gorbachev, Mongolia has been pursuing its own version of perestroika since 1987.

The 56-year-old prime minister called for cooperation among Asian countries which he said commonly faced a great amount of problems to be solved including protection of environment and needed to develop relations in trade, economic, scientific and cultural areas. Sodnom also mentioned that Mongolia proposed establishment of a permanent peace mechanism in the Asian-Pacific region.

Saying that Mongolia considers itself a developing nation and a member of the Group of 77, comprising the world's developing countries, Sodnom said Mongolia's new diplomacy is reflected in recent establishment of diplomatic relations with the European Community.

Open-door economic policies are being pursued, measures to invite foreign investment are under way and the nation is applying for membership in the Asian Development Bank, Sodnom said. In a move to upgrade bilateral relations, Japan and Mongolia signed a trade agreement early Thursday, giving Mongolia most-favored-nation status. Sodnom said exchanges with Japanese Government officials contributed to development of future relationship between the two Asian nations.

Sodnom, who arrived here on Tuesday, leaves for western Japan on Friday before returning home on Saturday.

Sodnom also said he has conveyed an invitation from the Mongolian head of state Jambyn Batmonh for Japanese Emperor Akihito to visit Mongolia. Sodnom made the invitation on Tuesday, when he was received by the Japanese monarch at the imperial palace. In a meeting with Prime Minister Toshiki Kaifu on Thursday, Sodnom also invited him to visit Mongolia. Sodnom told

the news conference a visit by the Japanese emperor or prime minister would help establish a relationship of trust between the two countries.

Tokyo TV Interviews Mongolian

OW0203030290 Tokyo NHK General Television
Network in Japanese 2353 GMT 1 Mar 90

[Interview with Mongolian Premier Sodnom by NHK reporter Yamada; place, date not given; from the "NHK Morning Wide" program—recorded; video shows Sodnom and reporter sitting in a room; the reporter asks questions in Japanese while Sodnom answers in Mongolian with Japanese translation given in subtitles on the screen; the following is from the Japanese]

[Text] [Yamada] Are you thinking of introducing a multiparty system in your country in the future?

[Sodnom] A multiparty system is becoming something we cannot get away from. That is why we are proceeding with the work of changing the constitution and party platform. In addition, our People's Revolutionary Party is carrying out other reforms in order to muster the support of the people.

[Yamada] What reforms are you planning and how will you carry them out? Can you be more specific?

[Sodnom] What comes first is the economy. We must first revise the centrally controlled economic system and install an efficient operating system. To do that, we must adopt market principles. Next, we must improve the economic structure, by promoting industrialization and encouraging processing industries. Our goal is to spur economic growth and elevate living standards.

[Yamada] You spoke about problems in the domestic economy. What are your views on economic exchanges with Japan and technical cooperation with the country?

[Sodnom] A cashmere yarn plant has been built with technology from Japan. The plants products are now being marketed worldwide. And we are now negotiating with Japanese enterprises on joint projects to build new plants. We are close to coming to an agreement on a plan to build a new steel refinery.

[Yamada] Now, regarding relations with the so-called Western nations including Japan, what are your plans in that regard? Do you think such relations should be further developed in the future?

[Sodnom] Mongolia borders the Soviet Union in the north and China in the south. Therefore, Mongolia's foreign affairs have been limited to those with these two countries—the Soviet Union and China. But in the future we plan to promote relations with Western nations, implementing our reform policies. I do not think that improved relations with the West will become a hindrance to our relations with the Soviet Union and China.

KYODO Carries Lineup of Second Kaifu Cabinet

OW2702164990 Tokyo KYODO in English 1621 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Following is the roster of the new cabinet of Prime Minister Toshiki Kaifu. (n for new, r for retained)

(Position)	(Name)	(Age)	(Faction)
Prime Minister	—Toshiki Kaifu	59	Komoto (r)
Justice Minister	—Shin Hasegawa	71	Takeshita (n)
Foreign Minister	—Taro Nakayama	65	Abe (r)
Finance Minister	—Ryutaro Hashimoto	52	Takeshita (r)
Education Minister	—Kosuke Hori	55	Takeshita (n)
Health and Welfare Minister	—Yuji Tsushima	60	Abe (n)
Agriculture, Forestry, Fisheries Minister	—Tomio Yamamoto	61	Abe (n)
International Trade, Industry Minister	—Kabun Muto	63	Watanabe (n)
Transport Minister	—Akira Ono	61	Abe (n)
Posts, Telecommunications Minister	—Takashi Fukaya	54	Watanabe (n)
Labor Minister	—Shunpei Tsukahara	42	Abe (n)
Construction Minister	—Tamiyuki Watanuki	62	Takeshita (n)
Home Affairs Minister (Chairman, National Public Safety Commission)	—Keiwa Okuda	62	Takeshita (n)
State Minister (Chief Cabinet Secretary)	—Misoji Sakamoto	67	Komoto (n)
State Minister (Director General, Management and Coordination Agency)	—Jun Shiozaki	72	Miyazawa (n)
State Minister (Director General, Hokkaido and Okinawa Agencies)	—Shigetami Sunada	72	Watanabe (n)
State Minister (Director General, Defense Agency)	—Yozo Ishikawa	64	Miyazawa (n)
State Minister (Director General, Economic Planning Agency)	—Hideyuki Aizawa	70	Miyazawa (n)
State Minister (Director General, Science and Technology Agency; Chairman, Atomic Energy Commission)	—Tomoji Oshima	73	Watanabe (n)
State Minister (Director General, Environment Agency)	—Ishimatsu Kitagawa	71	Komoto (n)
State Minister (Director General, National Land Agency)	—Moriyoshi Sato	67	Takeshita (n)
(Director, Cabinet Legislative Bureau)	—Atsuo Kudo	58	(r)

KYODO Continues Profiles of New Ministers

Foreign Minister Nakayama

OW2702202290 Tokyo KYODO in English 1642 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Foreign Minister Taro Nakayama is earning his wings at the controls of

Japan's diplomatic machinery, having traveled to 20 countries since taking office six months ago in Kaifu's first cabinet.

Nakayama retained his post in Prime Minister Toshiki Kaifu's second cabinet formed early Wednesday. A member of the faction of the Liberal Democratic Party (LDP) headed by former Foreign Minister Shintaro Abe,

Nakayama, 65, harbors high hopes of a powerful party position if and when Abe fulfils his dream of securing the premiership.

Nakayama, a former practicing pediatrician hailing from Osaka's fifth electoral district, has authored several books and has been outspoken in the party and Diet on ethical issues such as brain death and organ transplants. Known as an "idea man" in LDP political circles, Nakayama has used his government post to push for the enhancement of international medical cooperation and for the expansion of parliamentary ties between Japan and other countries.

His fluent grasp of English makes him a rarity among Japanese politicians and his predecessors to the post of foreign minister, enabling him to banter comfortably with his English-speaking foreign counterparts. During his first term of office from August 1989 to February 1990, Nakayama undertook six working journeys abroad, spanning a total of 51 days, and putting in an energetic performance.

Nakayama's first order of priority in Kaifu's second cabinet will be talks with U.S. Secretary of State James Baker, who he has met on four separate occasions, at the Japan-U.S. summit meeting in Palm Springs, California, on Friday and Saturday.

Like so many others in Japanese politics today, Nakayama is a second-generation politician, with both his mother and father having been national legislators. His father, Fukuzo Nakayama, was voted out of the prewar House of Representatives for holding antiwar views, but reelected to the House of Councillors following the war's end. Nakayama's mother, Masa Nakayama, became the first woman minister in Japan when she was appointed minister of health and welfare in the cabinet of Prime Minister Hayato Ikeda in 1960. His younger brother, Masaaki Nakayama, served as minister of posts and telecommunications under former Prime Minister Noboru Takeshita.

Nakayama began his political career as a regional politician in Osaka in 1955, serving four terms. Elected in 1968 to the House of Councillors for the first of three consecutive six-year terms, Nakayama distinguished himself with his active participation in foreign affairs deliberations, earning top posts in the Upper House. After stints in two cabinet posts under Prime Minister Zenko Suzuki in 1980-81, Nakayama switched over to the more powerful House of Representatives in 1986 and has since been strengthening his position in the LDP hierarchy. Nakayama is married with two sons. He is said to enjoy golf, swimming, music, and painting, especially restoration work.

EPA Chief Aizawa

OW2702214790 Tokyo KYODO in English 1802 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Former Vice Finance Minister Hideyuki Aizawa was appointed director general of the Economic Planning Agency (EPA).

Aizawa, 70, entered politics in 1976 from the bureaucratic world of the Finance Ministry, where he had served since graduating from the University of Tokyo in 1942. A sixth-term Diet Member, Aizawa, who is from Oita Prefecture, has served in such Liberal Democratic Party [LDP] posts as vice chairman of the Policy Research Council. Aizawa stepped down as chairman of the House of Representatives Committee on Judicial Affairs in 1988, after he was found to have failed to report his income correctly.

A romanticist who had wanted to be an actor or a writer in his schooldays, he is married to actress Yoko Tsukasa. Having experienced three years of detention in Siberia after World War II, Aizawa is noted by his colleagues never to lose his composure.

Labor Minister Tsukahara

OW2702212790 Tokyo KYODO in English 1755 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—The new labor minister is 42-year-old Shunpei Tsukahara, the youngest member of the cabinet, who entered the world of politics "by accident." Tsukahara ran and was elected to the House of Representatives in 1976 after the death of his father, who also served as labor minister. The sixth-term parliamentarian, weighing over 100 kilograms, is known for his abrasive manner of speech.

Tsukahara said he ran in the 1976 election "unaware of what was happening" around him, as Senior Liberal Democratic Party [LDP] member Raizo Matsuno recommended his candidacy.

Tsukahara, who has served as parliamentary vice minister of finance, belongs to the faction led by former Foreign Minister Shintaro Abe. He is from Ibaraki Prefecture.

Home Affairs Minister Okuda

OW2702210890 Tokyo KYODO in English 1753 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Former Posts and Telecommunications Minister Keiwa Okuda was named home affairs minister and he is an expert on foreign affairs.

The journalist-turned-politician, 62, was first elected to the House of Representatives in 1969. Okuda, a senior member of the ruling Liberal Democratic Party's [LDP] largest faction, led by former Prime Minister Noboru Takeshita, served as chairman of the Lower House

Foreign Affairs Committee and worked to promote Japan-China relations. He also served in such key intra-party posts as deputy secretary general and vice chairman of the party's Public Relations Committee.

Okuda, who enjoyed wrestling while at Waseda University, is known for his energetic political activities.

MITI Minister Muto

OW2702203290 Tokyo KYODO in English 1659 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Kabun Muto, a leader of the ruling party's trade and industry bloc, who becomes international trade and [MITI] industry minister, is a veteran politician. His only previous cabinet post was as agriculture, forestry and fisheries minister in 1979 under the late Prime Minister Masayoshi Ohira. Returned to the House of Representatives nine times, Muto, 63, has served as the Liberal Democratic Party's [LDP] deputy secretary general and in other party posts. He has been a close aide of former Finance Minister Michio Watanabe, to whose faction he belongs.

As chairman of the party's special committee on textile measures, Muto helped settle a knitwear trade dispute between Japan and South Korea last year.

As new MITI chief he will face a variety of difficult international economic and trade issues, centered on the structural Impediments Initiative (SII) between Japan and the United States.

Muto's father and grandfather were Diet members. He is from Gifu Prefecture, central Japan, and has represented the interests of the prefecture's textile industry. A graduate of Kyoto University, Muto is noted for his influence in the fields of industry and commerce. He is also known as an avid golfer with a handicap of 14.

Chief Cabinet Secretary Sakamoto

OW2702200190 Tokyo KYODO in English 1717 GMT
27 Feb 90

[Text] Tokyo, Feb. 28 KYODO—Misoji Sakamoto, appointed as Prime Minister Toshiki Kaifu's new chief cabinet secretary, is a veteran politician with cabinet experience. Sakamoto belongs to the Liberal Democratic Party's [LDP] smallest faction led by former State Minister Toshio Komoto. Kaifu is a member of the Komoto faction.

Sakamoto, 67, replaced Mayumi Moriyama, a woman appointed to the post last summer in the wake of a sex scandal involving her predecessor, Tokuo Yamashita. Sakamoto opposed to Kaifu as a candidate in the LDP's presidential election last August and preferred Komoto.

First elected to the House of Representatives in 1967, Sakamoto has served in such key posts as labor minister and as deputy secretary general of the LDP. Sakamoto reportedly received political donations from the information conglomerate, Recruit Co., when he served as

labor minister in the government of former Prime Minister Yasuhiro Nakasone. The Recruit shares-for-favors scandal emerged in June 1988 and culminated in the resignation of Prime Minister Noboru Takeshita in June last year.

North Korea

DPRK Has No Plans To Meet With Kim Yong-sam

SK0203103690 Pyongyang Domestic Service in Korean
0900 GMT 2 Mar 90

[Text] The spokesman for the Committee for Peaceful Reunification of the Fatherland [CPRF] answered questions raised by a Korean Central News Agency [KCNA] reporter. Answering the KCNA reporter's question on a report by the South Korea's Munhwa Broadcasting Company which quoted Chong Chae-mun, former chairman of the Reunification Democracy Party's [RDP] foreign affairs committee, as saying that Kim Yong-sam had said he was expecting another contact with a high-ranking figure from the North during his visit to the Soviet Union as he did last year in Moscow, the spokesman for the CPRF said:

Kim Yong-sam, former president of South Korea's RDP, is reported to have said that he was expecting a meeting with a high-ranking figure from our side during his visit to the Soviet Union toward the end of March as he did last year.

I think there is no need for a lengthy explanation about our stand on this matter. What deserves to be recalled before anything else is that it was according to Kim Yong-sam's request that we met him last June in Moscow. At that time, Ho Tam, chairman of our CPRF, out of a desire for great national unity met with Kim Yong-sam and exchanged opinions with him because Kim Yong-sam said he was calling for the democratization of the South Korean society and for national reunification, and that he was opposing the fascist military dictatorship.

The situation, however, is different now. Kim Yong-sam is no longer a president of an opposition party as he was when we met him last year. He has now become a businessman with a political background, having no faith or principles. Kim Yong-sam, who in the past opposed the fascist dictatorship by standing on the side of the democratic forces in South Korea and called for the democratization of the society and for national reunification, has not only joined hands with a dictator, whom he himself opposed, but he also has turned his back on the democratic forces. As a result, he has been reduced to the enemy of democracy and he cut off his political life on his own.

Today, he is forsaken by the South Korean people and has become a target of curses and denunciations. Given today's circumstances in which people try to avoid meeting with him even in South Korea, we certainly

cannot regard him as a party to talks with us. This being the case, we have not the least intention of meeting with him, nor are we trying to meet him. I think that our principled stand as such even corresponds to the desire of the South Korean people and will be useful to national unity and national reunification.

If anyone betrays his own nation and people and takes the road of treason, he is destined to be forsaken and given the cold shoulder not only by the South Korean people, but also by the people in the northern half. Kim Yong-sam has nobody to blame or be angry with. Since it was none but himself who has taken the road of betrayal and buried himself, he should blame and resent himself. We think that he should reform himself and return to the road leading to democracy and reunification, instead of making even the lawmakers of the former RDP commit sins before the nation and people by forming packs with fascist dictators, thereby walking along the road of treason.

Mass Meeting Held To Denounce 'Team Spirit'

*SK0103110590 Pyongyang KCNA in English 1050 GMT
1 Mar 90*

[Text] Pyongyang March 1 (KCNA)—A Pyongyang mass meeting was held at the February 8 House of Culture this afternoon to denounce the "Team Spirit 90" joint military exercises of the U.S. imperialists and the South Korean puppets.

Present there were Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-premier of the Administration Council; Yun Ki-pok, secretary of the WPK Central Committee; Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party; and senior officials.

The meeting was addressed by Choe Mun-son, chief secretary of the Pyongyang Municipal Committee of the WPK and chairman of the Pyongyang Municipal People's Committee.

He said that the order issued by the supreme commander of the Korean People's Army [KPA] to the entire units of the KPA and the Korean People's Security Forces and to the entire members of the Worker-Peasant Red Guard and the Young Red Guard on February 27 is a legitimate self-defensive measure to safeguard as firm as a rock our socialist homeland and the gains of revolution from the military provocations of the U.S. imperialists and the South Korean puppet clique and check in advance the provocative maneuvers of the aggressors.

The "Team Spirit 90" joint manoeuvres being staged by the U.S. imperialists and the South Korean puppet clique this year are an intolerable challenge to our

sincere and honest efforts to ease the tension and guarantee peace on the Korean peninsula and to the desire of the world people for a peaceful solution of the Korean question, he noted.

In staging the "Team Spirit" joint manoeuvres while getting overheated in arms buildup in the Korean peninsula and the Far East behind the curtain of "detente" and "disarmament," the U.S. imperialists seek to round off the triangular military alliance of the United States, Japan and South Korea in substance and light the fuse of a war any moment in reliance on it, he said, and went on:

If the South Korean authorities have the intention to realise free travel and complete opening between the North and the South and to reunify the country, they must tear down the concrete wall and respond to the proposal for convening a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

He further said:

The U.S. imperialists must stop interference egging the South Korean puppets on to confrontation and division, unconditionally discontinue the "Team Spirit 90" joint military exercises and withdraw from South Korea without delay, taking along nuclear weapons and all other aggression forces.

The speaker called upon South Korean people of all strata and students to fight more courageously against the "Team Spirit 90" manoeuvres of the U.S. imperialists and the No Tae-u group and for the withdrawal of the U.S. imperialist aggression forces and nuclear weapons, overthrow of the military fascist dictatorship and the peaceful reunification of the country.

The entire working people and the soldiers of the Korean People's Army and the Korean People's Security Forces must defend the socialist motherland and the gains of the revolution like an impregnable fortress with full combat preparedness to actively counter the enemy's provocations, sharply watching the new war provocation moves of the U.S. imperialists and the South Korean puppets, the speaker said.

The floor was also taken by representatives of workers, agricultural working people, youth and students, and men of culture and a South Korean defector who came over to the northern half of the country.

CPRF Decries U.S. Official's Comment on Korea

*SK0203035590 Pyongyang Domestic Service in Korean
2100 GMT 28 Feb 90*

[Information No. 558 of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, CPRF, issued on 28 February—read by announcer]

[Text] The U.S. imperialists are continuing to persist in the despicable maneuvers designed to justify their military occupation of South Korea by far-fetchedly connecting us to it.

On 22 February, a high-ranking official of the U.S. State Department, at a hearing of the Foreign Affairs Committee of the U.S. House of Representatives, told a lie that we have not taken a confidence-building step for disarmament, and raved that the United States would take a corresponding step, if the North unilaterally reduces its military strength.

This is a stratagem to deceive public opinion at home and abroad, which calls for the reduction and withdrawal of U.S. troops from South Korea and a preposterous sophism to justify the U.S. forces' permanent occupation of South Korea.

It is a fact known by the whole world that we put forth many peace proposals for easing tension and peace on the Korean peninsula and have taken practical steps to put them into practice.

Just in the period of recent years alone, we unilaterally reduced troops as a demonstration of the peace efforts and took such steps as stopping the staging of large military exercises. At the same time, reflecting the desire of the nation for reunification and the demand of the era, we put forth the four principles for guaranteeing peace and the package peace proposal.

In the peace proposal package, we put forward such specific matters for guaranteeing peace on the Korean peninsula as maintaining the troops of the North and South below the 100,000-level from 1992. These proposals also would realize the phased reduction of military equipment and the dissolution of militiamen's power corresponding to the reduction of the troops, which would maintain the balance of military strength by withdrawing U.S. forces from South Korea and reducing the troops of the North and South. At the same time, late last year, too, we put forth another realistic proposal toward the United States to ease tension on the Korean according to the current international trend of detente.

Nonetheless, the United States has responded to none of our fair and just proposals but, instead, has challenged us by beefing up armed forces in South Korea and its surrounding areas. The United States also has answered us by intensifying the war exercise by daily sending its Air Force and other aggression forces to South Korea from its forward overseas bases in Japan, the Philippines, and other Asian and Pacific region.

Still dissatisfied with their forward deployment of some 1,000 nuclear weapons and some 40,000 U.S. troops in South Korea, the U.S. imperialists are currently taking another step for an even more efficient joint operation between the U.S. forces in South Korea and the U.S. Pacific forces.

All facts clearly indicate who desires peace and is taking practical steps for disarmament on the Korean peninsula and who desires war and is beefing up military strength there.

Such being the case, the U.S. imperialists, while connecting us to it, have raved about the so-called confidence-building step and the step corresponding to a unilateral reduction.

This is an act of daylight robbery, something like a thief crying stop thief. This lays bare the incumbent U.S. authorities' wicked intention not to practically reduce U.S. forces in South Korea but to continue intensifying their war maneuvers.

The days are already gone when deception and stratagem work. Instead of using the far-fetched allegation of distorting facts to pacify public opinion at home and abroad—opinion that calls for the reduction and withdrawal of the U.S. forces from South Korea—the United States must withdraw all its aggression forces from South Korea without delay and must respond to our rational proposals for easing tension and peace on the Korean peninsula as soon as possible.

[Dated] 28 February 1990, Pyongyang

Cheney Statements, U.S. Troop Levels Reviewed

SK0203111490 *Pyongyang KCNA in English 1016 GMT 2 Mar 90*

[Text] Pyongyang March 2 (KCNA)—The U.S. imperialist aggression forces' occupation of South Korea is the main obstacle to the reunification of Korea and the root cause of the growing tensions on the Korean peninsula, says NODONG SINMUN today in a signed article.

If the danger of war is to be cleared away and peaceful reunification be achieved on the Korean peninsula, the U.S. imperialist aggression forces must get out of South Korea, the paper stresses.

Noting that the U.S. imperialists, far from pulling their occupation forces out of South Korea, are trying by all means to maintain them there under unreasonable pretexts, the paper says:

During his recent visit to South Korea, the U.S. Defense Secretary Cheney blared that the "continued debate" of the United States with the puppets on "reduction and change of the role" of the U.S. troops in South Korea was to urge the North to "take a step to ease tensions" and that, in case the North does so in future, it would "adopt an additional measure." This is a gangster-like logic of a shameless aggressor reversing black and white.

It is preposterous for the U.S. imperialists to talk that way while turning a blind eye to our peace efforts and deliberately rendering the situation strained.

They talk about the "cutback" of the U.S. forces in South Korea not because they have interest in the relaxation of

tensions on the Korean peninsula or the intention to withdraw their aggression troops from it, but because they seek to impose a heavier burden upon the puppets in cost-sharing for the upkeep of the U.S. troops for getting rid of the serious financial crisis and appease the public demanding the withdrawal or reduction of the U.S. forces overseas.

"Reduction" of the U.S. forces is not for the relaxation of tensions but for a redeployment to complete war preparations of the U.S. imperialist aggression forces to invade the North and qualitative upgrading of the U.S. troops and the puppet army.

Advertising the "change of the role" of the U.S. forces in South Korea, the U.S. imperialists describe this as a step for the relaxation of tensions, the paper says, adding: In this, they pursue the purpose of keeping a tight hold on the operational right to the puppet army while creating the impression that the puppets have some "independence", and drive out the mercenaries into a nuclear war against the North more effectively.

Changes in U.S. Asian Naval Strength Denounced

SK0203055690 *Pyongyang KCNA in English 0511 GMT*
2 Mar 90

["Arms Buildup Disguised With 'Replacement'"—KCNA headline]

[Text] *Pyongyang March 2 (KCNA)*—The U.S. imperialists are reportedly planning to replace the old 55,000-ton class aircraft carrier "Midway" based in Yokosuka, Japan, with the newer 80,000-ton class flattop "Independence."

NODONG SINMUN today views the replacement as a sign of the stepped-up arms buildup by the U.S. imperialists in the Northeast Asian waters.

The news analyst says:

The U.S. authorities are scheming to increase the total combat capabilities of the U.S. forces in the Asia-Pacific region by enhancing their "efficiency" under the cloak of "reduction" of the U.S. forces in South Korea, Japan and other areas. The commitment of "independence" in this region by the United States is a major link of this move and it is aimed at promoting their sea strategy against the DPRK and other socialist countries.

It is only too clear that the U.S. imperialists' sea strategy and Far East strategy will be stepped up with the replacement of "Midway" with "Independence" superior to it.

In view of the role played by "Midway," it will result in increasing tension in the Northeast Asian region and aggravating the situation on the Korean peninsula in particular.

The U.S. imperialists' scheme to build up arms under the cloak of "replacement" goes against the aspiration of the people in the Asia-Pacific region for detente in the area.

Peace in the Asia-Pacific region including Northeast Asia can be guaranteed only when the war preparations of the U.S. imperialists in this region are thwarted and the U.S. forces and nuclear weapons are withdrawn.

TASS Cited on 'Aggressive' Military Exercise

SK0203051890 *Pyongyang KCNA in English 0459 GMT*
2 Mar 90

[Text] *Moscow February 28 (KCNA)*—TASS February 28 exposed the provocative and aggressive nature of the "Team Spirit 90" Joint Military Exercises now being staged by the U.S. imperialists and the South Korean puppet clique.

Recalling that the supreme commander of the Korean People's Army issued an order to all the Armed Forces of the Democratic People's Republic of Korea to get fully ready for combat mobilisation in face of the on-going U.S.-South Korea large-size military exercises "Team Spirit 90," it said:

This is an unavoidable self-defensive measure. The measure has been taken because the military manoeuvres gravely threaten the security of the DPRK, as Pyongyang considers with sufficient grounds.

The "Team Spirit" military manoeuvres assume an offensive nature, not defensive.

Noting that "Team Spirit" is a test nuclear war against the DPRK, it said armed conflict may occur on the Korean peninsula any moment.

TASS drew attention to the invariable policy of the Workers' Party of Korea and the government of the Republic to defuse tensions on the Korean peninsula and reunify the country on an independent and peaceful basis, and demanded that the United States stop the provocative action.

Chong Ho-yong's ROK Election Bid Criticized

SK2402153890 *Pyongyang KCNA in English 1508 GMT*
24 Feb 90

[Text] *Pyongyang February 24 (KCNA)*—The No Tae-u-Kim Yong-sam-Kim Chong-pil group on February 20 decided to field former "commander of the paratrooper unit" Chong Ho-yong, one of the main culprits in the Kwangju massacre and chieftains of the "Fifth Republic legacies," in the by-election to fill a "National Assembly" seat for Sogap district, Taegu, according to a radio report from Seoul.

That day 40 odd "Democratic Liberal Party" hooligans gathered at the house of Chong Ho-yong in Kwachon, Kyonggi Province, and decided to nominate him on "independent" ticket, changing the original plan to field him as a "nominee of the Democratic Liberal Party."

This is no more than a foolish trick of the No Tae-u-Kim Yong-sam-Kim Chong-pil group to make it appear that Chong's candidacy has nothing to do with them.

The fascist clique which were forced to make Chong resign his "National Assembly" seat for his involvement in the Kwangju massacre and the "Fifth Republic legacies" intend to nominate him as a candidate in the "by-election" after the lapse of a few months. By this they revealed their real intention to put fresh muscles into the fascist system.

Newspaper on Opening of South Assembly Session

SK2202044490 *Pyongyang KCNA in English 0428 GMT*
22 Feb 90

["Stage for Fascist One-Party Solo"—KCNA headline]

[Text] Pyongyang February 22 (KCNA)—The 148th "extraordinary session of the National Assembly" opened on February 20 in South Korea, the first of its kind after "political restructuring."

Commenting on this, a news analyst of NODONG SINMUN today says:

Biased words "praising" the shift from "the weak ruling party and the strong opposition" to "the strong ruling party and the weak opposition" in the "National Assembly" rolled off the tongue of the "National Assembly speaker" who is said to be in charge of a fair "management of the state affairs."

In defining the agenda of the "extraordinary session" and the number of "interpellators," the "Democratic Liberal Party" (DLP) forced three agenda items and three to one in the ratio of the interpellators, spurning the demand of the opposition for five agenda items and the same number of interpellators from the ruling and opposition parties.

This shows that the No Tae-u group intends to turn the "extraordinary session" entirely into a stage for the solo of the "DLP."

A few days before the opening of the "session" the traitor No Tae-u blared that he would reject "the DLP's solo politics" and enforce "democratic politics," taking note of the call of the opposition party. But there is too great a discordance between his words and deed.

The No group put the "problem of public security" and "measures concerning economic problems" on the agenda and is advertising that it would produce a "bill" which will bring "democracy and welfare" to the people. This is, however, nothing but a trick to paint the one-party dictatorial system as a "democratic system."

How can a democratic bill be expected from the South Korean "National Assembly," which is used as a stage for putting the mask of the people's will on the arbitrariness and solo politics of the anti-popular, fascist "Democratic Liberal Party"?

The South Korean people will never allow the No Tae-u group's scheme to turn South Korea into a theatre of more lawless fascist rowdyism than in the period of the "Yusin" dictatorship and the "Fifth Republic" dictatorship with the one-party show of the "DLP."

Newspaper Comments on 'Suppression' in South

SK1702044990 *Pyongyang KCNA in English 0440 GMT*
17 Feb 90

[Text] Pyongyang February 17 (KCNA)—The South Korean puppet minister of justice at a "meeting of superintendent public prosecutors" February 12 ordered the "mobilisation of the whole force of prosecution" for the "liquidation" of "crimes infringing upon the people's life." And the South Korean puppets decided to increase the police force by some 30,000 men by 1992 under the pretext of boosting the "public security capacity." Commenting on this, NODONG SINMUN today says:

This reveals the scheme of the No Tae-u military fascist clique to cover the whole land of South Korea with thicker police networks in a bid to repress and stifle the struggle of the South Korean people for independence, democracy and reunification under the spurious cloak of "public security."

The news analyst points out:

The ulterior intention of the No group is to put down the anti-U.S., anti-fascist struggle of the people at the point of the bayonet under the specious pretext of "public security" and maintain its military fascist "regime."

The moves of hangmen going on the rampage in the suppression of the people, covering the whole land of South Korea with police networks on the plea of "public security," show how hypocritical and deceptive the "beginning of bright politics" and "matured Democratic politics" loud-mouthed by the traitor No and others involved in the merger of three parties are.

All this tells that the desire of the people for independence, democracy and reunification is more ruthlessly trampled underfoot under the political structure of three-party merger and the anti-national "political restructuring" of the military fascist group is threatening South Korea with a new severe political freeze.

Reportage on Alleged Rights Violations in ROK

Release of Prisoners Demanded

SK2402045690 *Pyongyang KCNA in English 0445 GMT*
24 Feb 90

[Text] Pyongyang February 24 (KCNA)—The World Organization Against Torture issued an appeal to various organizations on February 5 demanding the release of all the political prisoners unwarrantably jailed by the South Korean fascist clique.

Hoping for a response to its appeal for the release of the political prisoners in South Korea, the appeal said:

Demand the South Korean authorities to immediately release Yim Su-kyong, Mun Kyu-hyon and Mun Ik-hwan and guarantee their physical and political safety;

Urge the South Korean authorities to set free members of different organizations and their leaders who were arrested while struggling for human rights and elementary liberties in South Korea and for national reunification;

Demand them to release at an early date and unconditionally those who were imprisoned because they fought for human rights, liberties and national reunification, including So Sung.

The appeal called upon the organizations to send protest messages and letters to No Tae-u, the puppet justice minister and others concerned to push this demand.

Amnesty 'Appeal' Cited

SK2402051490 Pyongyang KCNA in English 0455 GMT 24 Feb 90

[Text] Pyongyang February 24 (KCNA)—The Amnesty International on February 23 issued an emergency appeal demanding of the South Korean "government" the release of political prisoners and an investigation of tortures in South Korea, according to a report.

Noting that the South Korean "government" not only fails still to guarantee human rights but also ignores steps of preventing tortures and ill-treatment of the prisoners, the appeal called for an immediate release of the political prisoners and a probe into the truth of tortures and maltreatment.

Meanwhile, the Japan headquarters of the Amnesty International which had made an investigation into the human rights problem in South Korea in response to this appeal said there are still many political prisoners in South Korea who were groundlessly jailed, and it is a matter of prime urgency to rescue them.

KCNA on 21 Feb Unification Board Statement

SK2602061290 Pyongyang KCNA in English 0522 GMT 26 Feb 90

["Why Are They Afraid of Inspection of Barrier?"—KCNA headline]

[Text] Pyongyang February 26 (KCNA)—A spokesman for the "Unification Board" of South Korea in a "statement" on February 21 not only turned down our just proposal to allow people in the North and the South to visit and see the concrete wall at first hand, describing it as a "political propaganda," but also slandered us, alleging that "real obstacle" to free travel is a "political barrier."

Denouncing his remarks as an intolerable challenge to and mockery of the ardent desire of the entire fellow countrymen to remove the state of freeze between the North and the South, NODONG SINMUN today says in a signed commentary:

The concrete wall stretching out about 240 kilometres from east to west in the area south of the Military Demarcation Line is a congelation of the criminal intention of the U.S. imperialists and their followers, South Korean rulers, to create "two Koreas" for the permanent occupation of South Korea and, in actuality, is an artificial barrier blocking any positive improvement in the relations between the North and the South.

The South Korean rulers' refusal to accept the proposal to objectively verify the existence of the concrete wall alleging that there is no concrete wall is their last-ditch effort to temporarily cover up their crimes, which fully reveals the ugly images of the splittists who are going against the trend of the times.

The commentary further says:

As for the political barrier barring the free travel and complete opening between the North and the South, it is none other than the South Korean rulers who built it.

It is well known a fact that the South Korean rulers are creating a state of freeze by building such political and military, legal and ideological and cultural barrier as the "National Security Law" and "unified channel of dialogue" one over another in addition to the concrete wall between the North and the South.

If the South Korean rulers have the true intention to open doors and reunify the country, they must abandon the anachronistic anti-communist confrontation and policy of seclusion and prove it in actual deed by pulling down the concrete wall, obstacle to opening and reunification, and all political barriers.

Yun Ki-pok Meets Reunification Panel Chairman

SK2402104290 Pyongyang KCNA in English 1048 GMT 24 Feb 90

[Text] Pyongyang February 24 (KCNA)—Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, today met and conversed with Kang Il, honorary chairman of the Soviet Committee for the Promotion of Korea's Reunification, and his companion in a friendly atmosphere at the Mansudae assembly hall.

*** Revolutionary Slogan-Bearing Papers Studied**

902C0105A Pyongyang NODONG SINMUN in Korean 22 Dec 89 p 2

[Report of a forum of political and academic leaders on the newly discovered revolutionary slogan-bearing documents]

[Text] Pyongyang, 12 December (KCNA)—A central forum on the newly discovered revolutionary slogan-bearing documents was held at the Cultural Palace of the People on 21 December.

Present at the forum were Comrade Chong Chun-ki, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; officials concerned including Comrade Yang Hyong-sop, Hwang Sun-hui, Pak Kwan-o, O Ki-su, and Choe Kim-sun; party functionaries representing central organizations and organizations in Pyongyang City; functionaries of the party cadre training school and museums of revolutionary artifacts; functionaries in the fields of science, education, and the press and publication.

The following research papers were read at the forum:

—“The Newly Excavated Slogan-Bearing Documents Are Immortal Revolutionary Documents Demonstrating the Greatness of the Revolutionary Tradition Established by the Respected and Beloved Leader Comrade Kim Il-song” (by Associate Dr Chang Tok-sun, a section chief at the Academy of Social Sciences).

—“The Newly Excavated Slogan-Bearing Documents Are the Valuable Treasures Which Will Convey Forever the Leadership Record of the Respected and Beloved Leader Who Led the Anti-Japanese Armed Struggle to Brilliant Victory” (by Kim Chang-hae, professor at Kim Il-song University).

—“The Newly Excavated Slogan-Bearing Documents Are the Historical Documents Which Proclaimed to the Whole World the Revolutionary Faith and Determination of the Anti-Japanese Revolutionary Fighters Determined To Bring the Chuche Cause Through to the End With Intense Veneration for the Paektu Star of Hope” (by Associate Dr. Kwon Yong, assistant chair at Kim Il-song School of Political Science).

—“The Newly Excavated Slogan-Bearing Documents Are the Valuable Treasures Which Bear Testimony to the Energetic Military and Political Activities of the Korean People's Revolutionary Army (KPRA) Units Which Galvanized the Broad Masses of People to a Nationwide Resistance Struggle for the Restoration of the Fatherland” (by Associate Dr Chong Pyong-yon, associate professor and assistant chair at Kim Il-song Military College).

—“The Newly Excavated Slogan-Bearing Documents Are Historical Documents Conveying Forever the Revolutionary Exploits Rendered by the Anti-Japanese Heroine, Comrade Kim Chong-suk, in the Struggle for the Restoration of the Fatherland” (by Associate Dr Kim Yong-su, associate professor at Kim Hong-chik University of Education).

—“Carrying on from Generation to Generation the Infinite Loyalty of the Anti-Japanese Revolutionary

Fighters to the Great Leader and Their Lofty Revolutionary Spirit as Borne Out by the Newly Excavated Slogan-Bearing Documents Provides a Basic Guarantee for the Consummation of the Chuche Revolutionary Cause” (by Associate Dr O Chung-hwan, teacher at Kim Il-song Higher Party School).

The speakers pointed out that nearly 8,000 revolutionary slogan-bearing documents were discovered in recent years all over the country, from the northern part of Korea centering around secret camps in Mt Paektu down to Pyongyang and the Mt Kuwol area in South Hwanghae Province, and more such documents are still being discovered. They stressed that the discovery of these slogan-bearing documents has secured additional historical documents, precious revolutionary treasures, which further enrich the history of the respected and beloved leader's revolutionary activity and which bear testimony to the greatness of the revolutionary tradition of our party.

They said that the slogan-bearing documents newly discovered under the wise leadership of our party mirror the history of the anti-Japanese revolutionary struggle in a vast number of unique slogans, and as such they constitute a historical record of the revolutionary tradition of our party established by the great leader in the course of leading the Korean revolution to victory, with outstanding thought and seasoned leadership.

The speakers stressed that the discovery of these immortal documents will enable our people to protect and preserve the revolutionary tradition of our party by raising high the revolutionary banner of chuche and accelerating socialist, communist construction more vigorously by standing firmly in the frontline.

They went to explain that the newly excavated slogan-bearing documents are immortal revolutionary documents demonstrating the greatness of the revolutionary tradition established by the respected and beloved leader.

Comrade Kim Chong-il, member of the Standing Committee of the Political Bureau of the WPK [Workers Party of Korea] Central Committee and secretary of the party Central Committee, pointed out as follows: “The brilliant revolutionary tradition of our party is a precious revolutionary asset created by the great leader Comrade Kim Il-song during the period of the arduous anti-Japanese revolutionary struggle.”

Noting that the chuche-oriented revolutionary tradition is one established by realizing the outstanding thought and great leadership of the respected and beloved leader, the speakers proved with concrete material evidence that the revolutionary thought and leadership performances of the great leader—who set forth strategies and tactics for the revolution on the basis of the chuche ideology and thereby led the overall Korean revolution centering around the anti-Japanese armed struggle to victory—are embodied in each newly discovered slogan.

They also stressed that the revolutionary tradition of our party was established amid the flames of the arduous anti-Japanese revolutionary struggle by the church-oriented revolutionary forces for national liberation from colonialism and that the profundity and multiplicity of this tradition are extensively reflected in the newly excavated slogan-bearing documents. They also stressed that the documents illustrate the communist revolutionary spirit of the fighters who cut their way through the enemy in the anti-Japanese revolution.

The speakers explained how the newly excavated slogan-bearing documents constitute precious treasures telling of the leadership record of the respected and beloved leader who led the anti-Japanese armed struggle to victory.

The speakers stressed that the newly excavated slogan-bearing documents attest to the fact that from the revolutionary bases in the country, centering around the secret camps in Mt Paektu, as bases for the exercise of his leadership, the great leader waged the anti-Japanese armed struggle with thoroughgoing reliance on the church-oriented revolutionary forces and dealt a decisive blow to the Japanese aggressors by means of church-oriented guerrilla warfare, thereby leading the anti-Japanese armed struggle to victory.

They also noted that the newly excavated slogan-bearing documents bear testimony to the fierce military and political activities of the KPRA [Korean Peoples Revolutionary Army] units, which imbued the broad masses of people with the line of nationwide resistance set forth by the respected and beloved leader, gave them a profound insight into the justness of this line, bound them together tightly around the organizations for nationwide resistance, and inspired them to the Armageddon for the liberation of the fatherland.

The speakers also explained in depth that the newly excavated documents are the historical documents which proclaimed to the whole world the pristine conscience and revolutionary will of the anti-Japanese revolutionary fighters who hailed the birth of Comrade Kim Chong-il as a historical event paving the way for the succession of the church revolutionary cause. They were determined to carry on the church revolutionary cause from generation to generation until consummation, loftily attending the dear Comrade Kim Chong-il.

They stressed that the newly excavated slogan-bearing documents attest to the immortal exploits produced by the anti-Japanese heroine, Comrade Kim Chong-suk, by assisting the great leader in the cause of fatherland restoration.

The speakers stressed that we should wholly embrace the infinite loyalty to the great leader and the lofty revolutionary spirit of the anti-Japanese revolutionary fighters which permeated the secret camps on Mt Paektu, day in, day out, in the period of the anti-Japanese revolutionary

struggle. In this way we will bring the church revolutionary cause to consummation as we follow the sagacious leadership of the dear Comrade Kim Chong-il.

Workers' Party Institutes 'Day of Students'

SK1902120590 Pyongyang KCNA in English 1000 GMT 19 Feb 90

[Text] Pyongyang February 19 (KCNA)—The "day of students" has been instituted in Korea.

The Workers' Party of Korea [WPK], in order to bring up students better as native cadres knowledgeable, virtuous and healthy, made sure that the third Sunday of each month was set as "day of students" and conduct diverse political and ideological education and brisk cultural, art and sports activities were conducted among them.

Dear Comrade Kim Chong-il indicated the orientation and way to strengthen the work of arming students with the ideas and traditions of the WPK and our nation-first spirit so that they may firmly establish the outlooks on the leader, the revolution and the organization and study and live in a revolutionary way.

Students will avail themselves on this day to grasp more deeply the ideas and theories of the WPK and have a wealth of knowledge needed for mastering the latest science and technology and prepare themselves to be young intellectuals with a high standard of cultural sentiments and strong physique who are good at speaking, singing, dancing, poem-reciting and sports.

An opening ceremony of "day of students" took place at Kim Il-song Stadium on February 18 with the participation of more than 50,000 university and college students.

Editorial on Organizational Economic Works

SK2602052690 Pyongyang Domestic Service in Korean 0007 GMT 8 Feb 90

[NODONG SINMUN 8 Feb editorial: "Let Us, the Functionaries, Responsibly Carry Out the Economic Organizational Works To Implement the Plan"]

[Text] Today, our party members and working people, upholding the New Year's address of the great leader, are vigorously launching a march to bring about a new, great revolutionary upswing in socialist construction. By doing so, innovative successes have been effected in the various fields of the national economy.

To bring about a new upswing in socialist construction while continuously maintaining the upsurged spirit of the masses, all domains and all units should vigorously launch a struggle to overfulfill the state plan.

The struggle to overfulfill the national plan is precisely the struggle to bring about an upsurge in socialist construction. The national economy plan in our country has always been expected to make great progress. Thus, only

when all domains and all units overfulfill their assigned plan can great upswings be really brought about.

Creating new speed for the new nineties, which will glorify the nineties, the decade of hope, can be effected by overfulfilling the state plan in all domains and all units. The struggle to implement the national economy plan is a worthwhile task to carry out the plan of our party's noble economic construction.

This year, our party has mapped out a magnificent operational plan to more abundantly improve our people's living. These plans are to produce more people's consumption goods by accelerating the light industry revolution, to provide better living conditions for our people by significantly increasing agricultural production, and to construct a large number of dwellings for them. Thus, these plans which our party has mapped out are really brilliant. These plans of our party are graphically reflected in this year's national economy plan.

In our economy, in which all domains and all units are closely connected, only when all units implement the state plan without fail can high speed be effected in a general economic development and the plan of the party's economic construction be brilliantly realized.

To overfulfill assignments in all domains and all units of the national economy, functionaries should carry out the economic organizational work to implement the plan in a responsible manner. To this end, first of all, it is important for all functionaries to organize and guide works to implement the plan with political consciousness and with the standpoint to uphold our party's economic construction plan by implementing the state plan without fail.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: By properly taking measures for normalizing production, we should see to it that all domains and all units carry out the plan without fail—by the day, by the ten-day period, by the month, by the quarter, and by the indicator.

Unconditionally implementing the party's line, policy, decision, and direction to the end by displaying infinite devotion is a noble trait of our functionaries and working people. Today, when our party leads the march to bring about a great new upswing, this trait demonstrated by our functionaries should be importantly displayed in the struggle to implement the national economy plan.

The struggle to implement the national economic plan does not seem like work at all, but is a rewarding work to achieve the teaching of the great leader Comrade Kim Il-song and the intention of dear Comrade Kim Chong-il to effect a new turn in socialist construction.

Dear Comrade Kim Chong-il, delving deeply into important questions regarding the requirements for improving and strengthening planning work in conformity with the

developing reality, has paid great attention to this work. In addition, he has led the state planning organ to create a realistic and organized plan. As a result of this, all problems have clearly been settled and the plan has successfully been implemented.

Under these circumstances, it is important for all economic guidance functionaries to regard the state plan as valuable, think of this plan as more important, and carry out it without fail. All functionaries and working people should defend and carry out the party's economic policy not with words but with practical actions. To accomplish this, they should wholeheartedly devote themselves to thoroughly implementing the assigned plan without preconditions. Those who can carry out their role in assigned planning tasks without fail under any conditions are genuine party revolutionary fighters upholding the party's intention to bring about a great new upswing in the nineties with practical actions.

To overfulfill the national economic plan, all economic guidance functionaries should carry out their role of guiding the activities of production and management by adhering to this plan. To precisely lead the activities of production and management to the process of implementation of the plan, everyone, including producers at work sites and work teams and the leading functionaries in the areas and units concerned, should get deeply involved in their planned tasks by the day, the month, and the quarter. In addition, they should more properly set up a discipline to thoroughly carry out all management activities according to the plan.

In particular, the economic guidance functionaries should concretely carry out the work of detailed assignments and materials supply in a timely manner to implement the state plan. In addition, what is important in thoroughly implementing the national economic plan is to carry out the economic guidance and production command so as to strictly observe the requirements of the economic law and economic control.

To secure high speed in economic development, the law of the planned and balanced development of the national economy, the principle of giving priority to the extraction industry and transportation, and the requirements of various economic laws should be thoroughly implemented. By doing this, production can be normalized at a high level by successfully guaranteeing raw materials, fuel, equipment, and power.

Deeply aware that increasing the production of coal, electric power, and iron works is a key to bringing about a great new upsurge, all economic guidance functionaries should give priority to these domains and positively support them. In addition, they should accurately guarantee investment in these domains, further strengthen the supply work of raw materials and equipment according to realistic development, and basically provide the planned equipment and materials for these domains.

Also, to thoroughly implement the national economic plan, it is important to thoroughly set up the system of materials supply provision as required by the taean work system. All domains and all units should establish supply contracts for materials and related services and should more properly set up an orderly supply of materials only according to a strict plan and contract.

Functionaries in transportation domains should correctly set up the amount of planned cargo transportation by the detailed indicators, directions, and railway stations. In addition, they should quickly organize the transportation system and its command in order to transport the raw materials, equipment, and facilities in a timely way.

It is important to strengthen the solidarity cooperation between domains and enterprises in implementing the national economy plan without fail. In our national economy, which forms a monolithic economic system, helping related domains and units is actually work for their own domains and their own units. Furthermore, this is work to implement the party's intention for the economic construction. Thus, all functionaries should see all problems and settle them with the entire interest of the party and state first in their minds. In addition, they should help and support each other while giving priority to contracted materials and cooperative productions.

It is important for the party organizations to strengthen guidance for carrying out a plan and properly understanding and summing up work. The party organizations at every level should strengthen the collective guidance of the party committee to carry out the state plan by the day and by the detailed indicator without fail.

A strong plan discipline can be set up only through proper understanding and summing up work to implement the plan. Functionaries of economic organs at every level, including committees and ministries, should always understand the status of the plan implementation of lower units and take measures to help these lower units.

Functionaries in plants and enterprises should thoroughly grasp the status of plan implementation of work sites, work teams, and each producer. In addition, they should settle problems that arise so that the work sites, work teams, and each producer may overfulfill the tasks of producing more and saving more.

Let us, all functionaries and working people, overfulfill the state plan and bring about a new great upsurge in the nineties, upholding the decision of the party's plenary session.

Newspaper Stresses Primary Functionaries' Roles

*SK2702060190 Pyongyang Domestic Service in Korean
0000 GMT 17 Feb 90*

[NODONG SINMUN 17 February editorial: "Let Us Enhance the Roles of the Primary Level Functionaries in Bringing About a Great New Upsurge"]

[Text] To vigorously launch the struggle to produce more and save more to the maximum while upholding the New Year address of the great leader Comrade Kim Il-song and the decisions of the 17th plenary session of the sixth party Central Committee, enhancing the roles of the primary level functionaries, including the captains of the work teams and work sites in plants and enterprises, is an important issue.

The great leader Comrade Kim Il-song has taught: As we have always said, it is very important for the primary level functionaries, like captains of the work teams and work sites, to set examples for others by their production work.

At this time when the struggle to bring about a great new revolutionary upsurge is mounting higher than ever before with each passing day, the party's expectations of our primary level functionaries are very great. The primary level functionaries should, first of all, be deeply conscious of their important posts in carrying out the party's magnificent intention and should positively turn out to implement the decisions of the plenary session of the party.

The work teams and work sites in plants and enterprises are two of the lowest-echelon positions, which are directly embodying the economic policy of the party, and the basic production units. The enormous reserves, which have been mobilized on a national scale, emerge from the work teams and work sites in plants and enterprises in a concrete way. Only when the captains of the work teams and work sites, upholding the decisions of the party Central Committee, deeply grasp where the reserves of their units exist and kindle the flames of the innovation can the entire plant be operated and the entire country can be filled with the spirit of a great new upsurge.

Deeply bearing in mind that the innovative standard bearers who should stand in the van of today's revolutionary march are none other than themselves, the captains of the work teams and work sites, by bringing about a new upsurge for production, should reward the party's expectations and confidence for confiding important revolutionary posts to them.

All primary level functionaries, as commanding members who are faced with great militant posts, should give full play to the spirit of absoluteness and unconditionality with which they are implementing the tasks set forth by the party through thick and thin. And, they

should carry out the plan assigned to the work teams and work sites by the day, by the month, and by the quarter without fail.

To positively participate in the struggle to produce more and save more, the captains of the work teams and work sites should learn the work style and fighting spirit of the primary level functionaries in the period of postwar great chollima upswing.

The primary level functionaries should daringly break up conservatism and technological mysticism as done by the standard bearers who kindled the flames of the movement of the chollima work teams. They should put forward the innovative fighting targets and bring about a greater upsurge for production by utilizing existing labor, existing facilities, and existing materials, while manufacturing what is nonexistent and seeking out more of what is in short supply.

To more vigorously launch the struggle to produce more and save more, our primary level functionaries should also organize work with the people. Only when the captains of the work teams and work sites, who grasp the degree of the ideological preparation, characters, and hobbies of each member of the work teams and work sites better than anyone else, vigorously organize the works with the people, the political works, can they positively arouse all producers and the masses to a new height.

The captains of the work teams and work sites, party cells, secretaries, and agitators, by bringing about a great upsurge once again, should mark the 1990's with the decade of a leap, which has never been in the history of our fatherland. And, they should deeply imbue all party members and working people with our party's plan and intention to vigorously demonstrate the superiority of the chuche socialist system.

Along with this, among the members of the work teams and work sites, the works of indoctrinating them to hold absoluteness and unconditionality toward the party's policy, of indoctrinating them to love organizations and groups and frugally manage the national economy, and of indoctrinating them to love labor, sincerely participate in labors, and consciously observe the discipline of labor should be conducted daily and continuously.

In particular, with a high consciousness of being masters of plants and work teams, with a deep love for their fatherland, and with affection for their jobs, all workers should turn out as one to explore and mobilize inner reserves. By so doing, they should more firmly establish their work teams and work sites to be loyal ranks filled with only party's heartbeat in the process of today's revolutionary march and to be communist groups fraught with the noble camaraderie trait of helping and leading each other.

To vigorously speed up today's march to produce more and save more, it is important for the primary level

functionaries to carefully organize production and command and properly manage the work of facilities and materials.

The captains of the work teams and work sites, deeply bearing in mind that great reserves exist in careful organization and command, should carry out economic organizational work so that all workers can effect high production results through full operation to the maximum of a 480-minute working day.

To this end, the captains of the work teams and work sites should clearly give concrete tasks for production to members of the work teams and work sites. They should provide good working conditions for the work teams, always grasp the status of their work implementation, and settle problems in a timely manner. In addition, the captains of the work teams and work sites should correctly evaluate the outcome of the production activities of the workers and properly apply the principle of socialist distribution.

The captains of the work teams and work sites should thoroughly embody the system of daily summation of production and finance, whose superiority have already been proved in practical life.

Today's reality in which the struggle to produce more and save more is strengthened by demands that our primary level functionaries further speed up the work of facilities and materials in conformity with the party's intention. By firmly establishing the trait of frugally utilizing and treasuring machinery and facilities among producers and by vigorously promoting the work to regularly check, repair, and supplement facilities, the captains of the work teams and work sites should put all facilities to full operation and full load.

The primary level functionaries should grasp which facilities and materials are kept idle in storage. They should take measures to positively utilize them, and they should further save even a watt of electricity, a sack of coal, and a drop of oil, never wasting even one metal cutting. In addition, they should establish a strict system and order to preserve and manage materials in the work teams and work sites and foster originality and devices of technological innovation to systematically lower the standard of material consumption.

In particular, the primary level functionaries should strongly promote to decisively lower the standard of electricity consumption per product unit and the standard of coal consumption. The captains of the work teams and work sites, even when enormous tasks are assigned and tense fights are staged, should put efforts to the work to increase the standard of technology and skill of workers and technicians, and they should organize the class for technology teaching and technology discussion as often as possible. Also, the primary level functionaries should more properly build the conditions for cultural life and the workers' rest. Thus, they should lead workers to live and struggle, full of soaring ambition and revolutionary optimism.

To increase the roles of the primary level functionaries in conformity with flaring reality in which a march is vigorously launched to carry out the decisions of the plenary session of the party, the leading functionaries in plants and enterprises, including managers and chief engineers, and also the leading functionaries in local party and economic organs, should carry out works with the primary level functionaries.

The party organizations should variously and practically carry out political and organizational works aimed at increasing roles of the primary level functionaries, including the captains of the work teams and work sites.

According to the Chongsan-ri method about the high echelon's aid for the low echelon, the leading functionaries should always meet with the captains of the work teams and work sites. They should regularly grasp their works, settle difficult problems, and positively endeavor to increase their roles.

The economic guidance functionaries at the center and in the provinces, when they go down to low-echelon units, should primarily meet with the captains of the work teams and work sites and give full play to the trait of exploring reserves to produce more and save more together with the captains. In addition, they should also give full play to the trait of helping the low-echelon units.

Only when a revolutionary turn is effected in the works of the work teams and work sites as a result of cooperation between the high and low echelons can the mass forward movement, to create a new speed in the 1990's, be energetically accelerated.

South Korea

Minister Foresees UN Membership in 2-3 Years

SK203074290 Seoul YONHAP in English 0700 GMT 2 Mar 90

[Text] Seoul, March 2 (YONHAP)—Foreign Minister Choe Ho-chung, outlining the direction of South Korean diplomatic policy, said Friday the focus of efforts this year will be to improve relations with China and the Soviet Union. Diplomatic ties with Moscow and Beijing, the biggest goals of Korean diplomacy, should be and will be realized, and Korea will join the United Nations in the next two to three years at the latest, Choe said.

On South-North Korean relations, Choe said the government will continue its efforts to induce North Korea to open up and realize reunification based on the Korean community formula proposed by President No Tae-u. Although North Korea refuses to admit the winds of reform that are blowing through Eastern Europe and the thaw between East and West, it will not be able to resist the flow of history for ever, he said.

The foreign minister made the remarks during a meeting here of 94 Korean diplomatic mission chiefs. The mission chiefs were briefed on domestic and international

situations and diplomatic goals for this year in a closed-door session attended by Prime Minister Kang Yong-hun.

Kang said establishment of diplomatic relations with the Soviet Union and China, as well as improving ties with North Korea, was not only the most urgent task but a historic mission that will determine the future of the Korean people.

Minister Prepares for Worldwide Realignment

SK2002004390 Seoul THE KOREA TIMES in English 20 Feb 90 p 2

[Text] President No Tae-u stressed yesterday that the government and the ruling party should lead legislative activity with responsibility in the wake of the latest political realignment.

No called for such leadership from the administration and the Democratic Liberal Party, noting that "as a result of the reshaping of the political world this time, new circumstances for legislation have been formed." The President was receiving a briefing from Minister Hyon Hong-chu on the 1990 business programs of the Government Legislation Minister at Chongwadae.

In his instructions to the office, No asked for the effective promotion of legislation plans of the year so as to prevent a flood of bills in the regular National Assembly session in September. He pointed out that a rush of bills may cause rough-and-ready deliberation, triggering public criticism.

In particular, President No told Minister Hyon to work out enforcement decrees of laws related to the concept of public land ownership and to enact local autonomy laws without a snag, so that important government policies can be carried out as scheduled. He also directed the minister to inject fresh air into the study of laws and legislative systems in Communist countries in preparation for the rapid increase in personnel and material exchanges with such nations.

Cho Sun Attends Meeting on Saving Economy

SK2802020890 Seoul YONHAP in English 0143 GMT 28 Feb 90

[Text] Seoul, Feb. 28 (YONHAP)—The government will push ahead with economic reforms such as requiring the use of real names in financial transactions and limiting land ownership. Deputy Prime Minister Cho Sun said Wednesday [28 February].

Presiding over the first meeting of "the Committee To Save the Economy," Cho said the government will move strongly against profiteering and real estate speculation as well as trying to stabilize the economy and solve imbalances in society.

The committee, formed to help solve an economic downturn, has 24 members representing the academic,

industrial, journalistic and labor communities. Members include former Deputy Prime Minister Sin Pyong-hyon, former Agriculture and Fisheries Minister Chang Tok-chin, Kim Tong-ki, dean of business administration at Korea University, Yi Kyu-hang, president of the Korea Economic Daily, and Kim Sung-ku, chairman of the textile trade unions.

Cho, who is also economic planning minister, told the panelists that the economy is very unstable due to a protracted export slump, high inflation and skyrocketing housing costs. He also said serious industrial disputes are expected in the next couple of months during the annual spring wage offensive and stressed the need for a long-term, fundamental policy to revive the economy.

The committee's six subcommittees, including one on industrial peace, will devise economic policies and make recommendations to the government.

Kim Yong-sam, Kim Tae-chung Differ Over Future

SK0203042890 Seoul THE KOREA HERALD
in English 2 Mar 90 p 2

[News analysis by staff reporter Kang Song-chol: "Different Visions of 2 Kims May Intensify Showdown"]

[Text] Kim Yong-sam and Kim Tae-chung once again manifested their rivalry this week through speeches at the National Assembly. With one Kim now being a ruling party co-leader and the other Kim remaining in the opposition, their rivalry assumes a different character from that of the past.

They presented different visions on future politics, providing some clues for developments in interparty relations. The speeches were the first major showdown between the two longtime rivals in the opposition camp since the inauguration of the new ruling Democratic Liberal Party last month out of the merger of three parties led by President No Tae-u, Kim Yong-sam and Kim Chong-pil.

Kim Yong-sam was jeered at by opposition lawmakers several times during his nationally televised speech, which would have been unimaginable in the past. The incident may have brought home to both lawmakers and the people changes in the political climate.

Although the two Kims had been rivals in the opposition circle for more than two decades, they used to join hands in fights against authoritarian governments. But now they attack each other. Political analysts generally agree that the two Kim's rivalry had long been a major factor in political circles, and will continue to be so. They note that the two Kims still exercise considerable political influence despite constant criticism of their behavior.

The two Kims sent a clear signal through their Assembly speeches that they see some critical issues facing the nation quite differently. Such differences have even touched off concern that the rival camps led by the two

Kims might engage in extreme confrontation. The two Kims differed most sharply in positions over the political realignment through which Kim Yong-sam joined hands with his one-time political adversary President No.

Kim Tae-chung, whose Party for Peace and Democracy [PPD] became the sole opposition party in parliament, characterized the three-party merger as a coup d'etat betraying the public. He reasoned that the people should have been consulted before changing the four-party system which emerged from the April 1988 parliamentary election.

Kim Yong-sam, on the other hand, defended the three-party merger as an inevitable move to cope effectively with changes in the world. Calling for "new thinking," he claimed that the political realignment was designed to complete democratization and foster national reconciliation.

Kim Tae-chung demanded a parliamentary election this year to seek the people's verdict on the political restructuring. He threatened to stage a nationwide campaign to nullify the three-party merger. With the PPD leader maintaining such an adamant position, arguments over the political realignment are expected to continue for some time to come.

Despite many differences existing between the two rival camps, some analysts say they do not think the gaps are as huge as those between ruling and opposition parties in the past. They note that both Kims concurred in calling for the revision of the National Security Act and other democratic reforms, though the intensity was not the same.

The two Kims also maintained similar positions on such matters as pushing for economic reforms, including the implementation of the concept of public ownership of land. They also showed that they do not differ greatly on the questions of inter-Korean relations and national reunification. Such similarities may be a sign that the two Kims and their parties will open a new era of politics based on competition over policies.

Kim Yong-sam's Moscow Trip May Result in Ties

SK0203041990 Seoul YONHAP in English 0232 GMT
2 Mar 90

[Text] Seoul, March 2 (YONHAP)—Normal diplomatic relations between South Korea and the Soviet Union are likely to arrive sooner than almost anyone expects, a highly-placed source in the ruling party hinted Friday.

First State Minister for Political Affairs Pak Chol-on's accompanying of party co-leader Kim Yong-sam on his Soviet trip March 20-27 may result in diplomatic ties this year between Seoul and Moscow, the source said.

"It was decided to send Pak to Moscow with co-leader Kim in a tete-a-tete between President No Tae-u and

Kim at Chongwadae (the presidential residence) on Feb. 28," said the source, who asked not to be identified.

Pak, who allegedly heads the government's secret program to expanded relations with communist nations, confirmed the trip. "I will go to the Soviet Union with Kim," he said.

Pak said he will seek "substantial" improvements in relations between Seoul and Moscow during the trip. "Pak, who is said to have delivered a message from President No Tae-u to President Mikhail Gorbachev during a secret visit to Moscow in the summer of 1988, before the Seoul Olympiad in September 1988, will have formal and informal contacts with influential Soviets while in Moscow," the source said.

"Pak's visit will have the character of a government-level mission to set up diplomatic ties between the two nations," he said. The source, however, discounted published reports that Kim may carry a personal letter from No to Gorbachev.

Seoul 'Redoubling' Efforts for Ties With USSR

SK0203024890 Seoul THE KOREA TIMES in English
2 Mar 90 p 2

[By staff reporter Kim Chang-yong]

[Text] Seoul is redoubling its efforts to develop private-level economic ties with the Soviet Union into diplomatic ones and possibilities appear growing for the realization of its aim by as early as the end of this year, Foreign Ministry officials say.

Foreign Minister Choe Ho-chung convened an inter-ministerial consultative committee for rapprochement with socialist countries Wednesday, the second since its inception in May last year, to review achievements of the bold diplomatic initiatives and discuss future courses of action. Seoul is intending to borrow the Communist giant's influence on North Korea to open its doors for stability on the Korean peninsula and further induce it into withholding of veto powers in the United Nations Security Council to help South Korea gain UN membership. Choe proposed separate meetings with the foreign ministers of the Soviet Union and China to talk about diplomatic links, in a television interview two weeks ago, declaring that priority in the government's diplomatic activities would be placed on the improvement of relations with the two Communist superpowers.

The officials believe that the Soviet Union would come to enter into diplomatic relations before China does despite its smaller trade volume with Seoul. Beijing, also an ideologically divided country, feels closer affinity with Communist North Korea and can hardly ignore Pyongyang's potential reprehension in case of political rapprochement with Seoul.

Seoul will deliver Choe's message to the Soviet authorities through Kong No-myong, head of the consular

department, the first government agency which went into operation on Feb. 22. Kong will take office early next week. Kong, a heavyweight for the post, who has served as assistant foreign minister and ambassador to Brazil, will also convey President No Tae-u's hope for an early establishment of diplomatic links. He told reporters that he would carry No's messages, though not his personal letter.

In a press meeting on Feb. 24, on the eve of the second anniversary of his inauguration, No expressed his strong intention to normalize relations with the Soviet Union and his wish to visit Moscow during his tenure that ends three years from now. The Soviet Union will open its consular department at the Seoul representation of the Soviet Chamber of Commerce and Industry late this month, according to Soviet staff.

Like a remark by a Soviet Foreign Ministry official, quoted by TASS Tuesday, the South Korean consular department in Moscow will provide a "new stage" in the development of bilateral relations. Actually, the No administration expects Kong's greater role in paving the way for ambassadorial-level ties, beyond his commission as chief consular officer, envisaged in an accord signed in November.

Another good chance is a visit by Kim Yong-sam, co-representative of the giant ruling party, for which the administration formed a rare across-the-board ad hoc committee grouping Foreign Minister Choe, National Unification Minister Yi Hong-ku and director So Tong-kwon of the Agency for National Security Planning, among others. It is widely expected that it will be arranged for Kim to meet Soviet leader Mikhail Gorbachev during his stay in Moscow starting March 21, a meeting which could symbolize development in Seoul-Moscow relations that began in trade and economic fields in the private sector.

Kim and Gorbachev are likely to agree to diplomatic relations in principle if their meeting takes place, diplomatic observers said. Kim, who runs the Democratic Liberal Party with No and another ex-minority opposition party chief Kim Chong-pil, will be given a warmer reception this time than in his first trip in May last year in the capacity of opposition leader, according to Rep. Chong Chae-mun, who returned from Moscow after preparing for his boss's trip recently. Kim's first journey came at the invitation of Vladlen Primacov, who was later promoted to the chairmanship of the Soviet Supreme Council from an institute director. Choe deemed Kim's travel as an "epoch-making occasion" in the path to the normalization of ties.

There have not been clear signs that Moscow is moving to upgrade the consular relationship to the level of ambassadorial representation in the near future. It has thus far attached importance to the private-sector commercial exchange. But many Soviet scholars and news organs have hinted at Moscow's gradual approach to Seoul's bid to set up full diplomatic relations to be

followed by the legal protection of investment and other institution to facilitate and promote trade, joint ventures and other cooperation in the economic field.

Anatoliy Logunov, rector of Moscow State University and a standing member of the Communist Party Standing Committee, told Kim Yong-sam Wednesday that he hopes the political arena follows in step with academic, cultural, economic exchanges. The official Soviet news agency TASS will send its Tokyo bureau chief Vladimir Koutchko to Seoul in the middle of this month to verify North Korean leader Kim Il-song's allegation that there exists a concrete wall in the southern Demilitarized Zone to prevent inter-Korean personal exchange.

Soviet Foreign Minister Eduard Shevardnadze supported the allegation in a press conference at the end of U.S. Secretary of State James Baker's trip to Moscow on Feb. 10, urging South Korea to demolish the concrete wall. South Korean defense officials say that the walls are anti-tank barriers constructed 12 years ago only in western frontline plains and are of no hindrance at all to the passage of people.

The day when South Koreans, who buried old anguish over the shootdown of a passenger jetliner in October 1983 to welcome Soviet athletes to the 1988 Olympic Games in Seoul, can expect the entire normalization of relations will be the time the Soviet Union more badly needs the capitalist South's capital and development expertise to boost its economy, observers said.

Ties Needed To Ensure USSR Business Ventures

SK0203030490 Seoul THE KOREA TIMES in English
2 Mar 90 p 1

[Text] Business tycoon Chong Chu-yong will negotiate with top Soviet government and corporate leaders on various projects worth more than \$1 billion during his stay in Moscow, projects which Seoul officials say are big enough to open the way for the establishment of diplomatic relations between Korea and the Soviet Union, informed sources said yesterday. Chong, who is now in Tokyo and scheduled to arrive in Moscow Sunday, plans to hold talks with pertinent Soviet officials on the setup of joint ventures for the exploration of natural resources, production of consumer goods and trade.

"During the course of the talks, he will make it clear that bilateral diplomatic ties are a prerequisite to fully guarantee his investment," one source said.

Moscow has been satisfied with the current private-level trade and economic cooperation apparently in recognition of its long alliance with North Korea, while Seoul is strongly hoping for the normalization of relations by capitalizing on economic ties.

"If the Soviet Union responds positively to his proposal," the source said, "it will be a dramatic breakthrough in the behind-the-scenes talks on diplomatic links between the two countries."

Chong, founder and now honorary chairman of the Hyundai Business Group, will hold a reception Monday on the occasion of the opening of Hyundai's Moscow branch to which a number of Soviet business leaders have been invited.

He will return home around March 10.

KAL, Aeroflot Agree on Overflights, Stopovers

SK0203042590 Seoul YONHAP in English 0240 GMT
2 Mar 90

[Text] Seoul, March 2 (OANA-YONHAP)—Soviet state-run Aeroflot will begin weekly flights to South Korea with an Ilyushin 6 jetliner on April 4, the Transportation Ministry said Friday.

The Soviet airline's first flight to Seoul will be from Khabarovsk in the Soviet Far East and the second flight from Moscow via Shanghai, China, on April 8, with the first one going on to Singapore and the second going back to Moscow, a ministry spokesman said.

Aeroflot informed Korean Air (KAL) and the ministry of its flight plans for the Seoul-Moscow route, based on consultations between KAL and Aeroflot officials, in mid-February. An Aeroflot official will arrive in Seoul on Monday to prepare for the flights and open a Seoul office.

KAL's Europe flights will take short cuts by passing through Soviet airspace, landing in Moscow instead of Anchorage, Alaska, for refueling, from March 25. Of nine flights between Korea and Europe, two will land in Moscow and the rest will just fly over Soviet territory. The route with a stop in Moscow will be either Zurich-Amsterdam-Seoul or Zurich-Frankfurt-Seoul.

KAL aircraft's first landing in Moscow will be March 27, and the date to initiate traffic rights will be either March 27 or 31, KAL said. "However, the schedule is not final; we have not fixed the timetable completely," said a KAL official who did not want to be named.

KAL is to open a branch office soon in Moscow.

DPRK Ties Linked to Improved Soviet Relations

SK2702125290 Seoul HANGYORE SINMUN
in Korean 25 Feb 90 p 6

[Editorial: "Establishment of ROK-USSR Diplomatic Relations and the Efforts for Reunification—We Ought to Improve Our Relations With North Korea As Well"]

[Text] Prime Minister Kang Yong-hun, speaking at the National Assembly on 22 February, said that "the government will make efforts to establish diplomatic relations with the Soviet Union in the near future." Then at

a party-government meeting held at Chongwadae on 23 February, he said that the government will place the first priority of its foreign policy to the diplomacy with the Soviet Union and China and briefed the meeting on a series of specific ongoing diplomatic activities aimed at upgrading the ROK-USSR relations to ambassadorial-level diplomatic relations. Also, Kim Yong-sam, co-representative of the Democratic Liberal Party is expected to visit the Soviet Union again this March. Though the authorities officially denied the rumor that he will carry President No's personal letter to Gorbachev, we can well speculate that during his visit to the Soviet Union he will conduct some sort of behind-the-scenes negotiations for the improvement of relations between the two countries.

In return for our government's efforts to improve relations with the Soviet Union, the Soviet Union has of late been actively moving toward improving relations with the ROK, which is sufficient to draw our attention. General Secretary Gorbachev's policymaker for the Korean peninsula, Georgiy Kunadze, director of the department in charge of Japanese and Korean political affairs of the World Economics and International Relations Institute in Moscow under the USSR Academy of Sciences, told a Japanese daily that the establishment of diplomatic relations between the Soviet Union and the ROK is a matter of time. Valeriy Nazarov, director of the Soviet trade office in the ROK, said that working-level talks between the ROK and the Soviet Union for the establishment of diplomatic relations are under way in Moscow. The remarks of both men suggest that the diplomatic negotiations between the ROK and the Soviet Union are on the threshold of establishing diplomatic relations.

The Soviet Union has so far limited its relations with the ROK to nonpolitical fields, such as economic and cultural fields, in consideration of its relations of alliance with North Korea. So why should the Soviet Union change its attitude suddenly and work actively toward the establishment of its relations with the ROK? If it is true, as director Kunadze said, that the relations of alliance between the Soviet Union and North Korea have degenerated and the Soviet Union is not opposed to the ROK's separate UN entry, we suspect that the Soviet Union is trying to implement a so-called "new thinking" diplomacy on the Korean peninsula. Such diplomacy likely is aimed at alleviating international tensions and mutual cooperation between countries instead of maintaining relations it formed with its allies during the cold-war era.

However, we still ought to take interest in North Korean moves while our attention is drawn to the development to normalize diplomatic relations between the ROK and the Soviet Union. Although it may be important to continue with nordpolitik, such as the improvement of relations with the Soviet Union, to ease tensions on the Korean peninsula and expedite reunification, the improvement of relations between North and South Korea is more important than anything else. If the

ultimate objective of nordpolitik is reunification, we ought to place more emphasis on the improvement of relations with North Korea than on nordpolitik.

Minister Yi on Possible Overtures From North

SK2302082090 Seoul YONHAP in English 0743 GMT
23 Feb 90

[Text] Seoul, Feb. 23 (YONHAP)—North Korea may make overtures to South Korea this year to escape international isolation and to overcome an internal crisis, National Unification Minister Yi Hong-ku said Friday.

In a report on the situation and outlook of inter-Korean relations, Yi said, "There is a possibility that North Korea will make an unexpected proposal to the South to solve its isolation from the outside world and internal conflicts." North Korea's strategy is expected to be to drag out contacts with the South at Panmunjom in order to delay various meetings that would be held alternately in Seoul and Pyongyang, Yi said. The briefing was made at a meeting of senior ruling party officials and Cabinet members chaired by president No Tae-u.

He dismissed the North's call for tearing down "a concrete wall" which it alleges exists south of the Military Demarcation Line dividing the two Koreas as the product of "symbol manipulation based on falsehood" aimed at getting over a crisis in its system and avoiding responsibility for the impasse of inter-Korean dialogue.

The National Unification Board will pursue practical dialogue and exchange projects with the North in preparation for sudden proposals after the "Team Spirit" South Korean-U.S. Military exercise ends.

"From a long-term perspective, change is inevitable because a potential force demanding reforms will grow, economic recession will deepen and outside pressure for opening, including the Soviet Union's positive policy on the Korean peninsula, will mount in North Korea," Yi said.

Yi said his ministry will plan for all possible contingencies in case incidents erupt in North Korea similar to the abrupt changes in Eastern Europe.

The government will help mount an international campaign to prod North Korea to sign a perfect safeguard agreement with the International Atomic Energy Agency in a move to deter Development of nuclear weapons, he added.

* Post-Kim Il-song War Scenario Studied

902C0095C Seoul CHUGAN CHOSON in Korean No
1077, 3 Dec 89 pp 28-33

[Article by Editorial Board member Kim Yun-kon: "The First Armed Clash Three Days After Kim Il-song's Death, North Korea To Fall Into a State of Anarchy Due to an Attempt To Assassinate Kim Chong-il, According

to the War Game on the Korean Peninsula,' a Scenario Jointly Prepared by a ROK-U.S. Research Team")]

[Text] The Korean Institute for Defense Analysis (KIDA) and the American Center for Strategic and International Studies (CSIS) carried out a joint map exercise in crisis management on the Korean peninsula and recently released its scenario. The participants in this project are security experts from the two countries, including a number of those whose roles in the map exercise coincide with their actual carrier roles.

The main thesis of this "crisis game" develops in four stages beginning with a military crisis caused by a change in the leadership in North Korea. As background factors of the game, it presumes reductions in the U.S. defense budget, pressures for reductions in U.S. Forces overseas, a minority anti-American sentiment in South Korea, a continued military buildup in North Korea, and the deterioration of Kim Il-song's health.

Factional Strife Within Pyongyang Regime, Attention Focused on ROK Response

Stage 1:

Kim Il-song dies on 8 February, and his son, Kim Chong-il, takes over with no visible signs of opposition. Kim Chong-il issues an open warning stating that if South Korea should attempt to take advantage of this period of transition in North Korea to invade the North, it would be "punished." ROK President No also issues a warning against North Korea's possible provocation.

Fearing that North Korea may attempt a grave military action against the South, the United States alerts its forces as a countermeasure in the first stage. The U.S. Joint Chiefs of Staff orders the U.S. Air Force and Navy in the western Pacific, including the U.S. Air Force in Korea, to place themselves in Defcon (defense readiness condition) 3. The United States decides not to issue Defcon 3 for its ground forces.

The United States requests an intelligence assessment concerning: (1) military movements by North Korea, China, and the Soviet Union, and (2) the North Korean situation under Kim Chong-il, including the opposition to him, and the scope of possible intervention by China and the Soviet Union. While awaiting the findings of this analysis, the United States takes precautionary measures. The U.S. State Department notifies the governments of the Soviet Union and China that it has taken precautionary military measures and requests the assurance that China and the Soviet Union also share common interest with the United States in urging North Korea to exercise self-restraint. The U.S. State Department asks the Swiss Embassy in Pyongyang to convey to the North Korean Government the U.S. message that the United States will fully honor its obligations under the ROK-U.S. security treaty.

The intelligence report points out that there has been no visible increase in Soviet military activities, that one

North Korean echelon has moved, and that there are some signs indicating a serious factional strife within the Pyongyang regime. The commander in chief of the ROK-U.S. Combined Forces Command (CFC) reports that there are indications that some ROK commanders have pressed for thrusting into the North.

The United States concludes that there is little danger of an all-out invasion into the South, but in an attempt to consolidate the Kim Chong-il regime and justify the suppression of internal dissident factions, North Korea may order localized attacks on the demilitarized zone.

At the same time, the United States pays attention to how the ROK will respond to this move on the part of North Korea. What complicates the situation is the American CIA report that a minority group in the ROK military has demanded that the ROK take military action by taking advantage of the political unrest in the North. The U.S. Joint Chiefs of Staff instructs the CFC commander to look for ways to obtain assurances from the ROK Joint Chiefs of Staff that the high state of alert on the part of the ROK forces is not provocative in nature and that the ROK Joint Chiefs of Staff is in control of ROK military units. The U.S. Joint Chiefs of Staff briefs the President on the situation. The U.S. Secretaries of Defense and State advise the President not to issue a statement but have the State Department hold a press conference so that when questions are asked on military matters, the State Department may tell reporters to refer their questions to the Defense Department information officer. This advice is intended to contain the situation under the circumstances in which there is no likelihood of a serious North Korean attack.

The United States shows a favorable response to the assurance given by the ROK Joint Chiefs of Staff regarding the discipline of ROK commanders, as well as to the ROK prime minister's message to North Korea declaring that the ROK has no intention of invading the North.

On the other hand, the first ROK reaction is a request for information on military moves on the part of North Korea, China, and the Soviet Union. The ROK Joint Chiefs of Staff also make a request for an assessment of the situation from the CFC commander. Intelligence organizations report that there have been no visible signs indicating that North Korea is preparing for an all-out attack on the ROK. Particularly, the CFC commander sends a message to the chairman of the ROK Joint Chiefs of Staff stating that he sees no likelihood of an all-out North Korean attack but intends to expand the utilization of the intelligence resources in order to heighten the alertness and detect any move of the enemy.

Upon receiving this report, the ROK judges that there is no possibility of a large-scale North Korean military attack and forms the conclusion that it is highly possible that North Korea will try to aggravate tension and cause some sort of chaos inside the demilitarized zone (DMZ) in an attempt to use the crisis for internal purposes and

for the purpose of consolidating Kim Chong-il's position. From then on, discussions at the ROK Security Council begin to focus attention on how to work out appropriate measures to counter this possible provocation.

What is most important is to compare and weigh the effects of responses and the possibility of their aggravation of tension and find a balance between the two. On this matter, the ROK military stresses the importance of the effects. However, the ROK prime minister, foreign minister, and National Unification minister set the diminution of the crisis as the primary goal and present arguments on this basis. The United States sends a message to the Government of the ROK requesting that the latter reaffirms its pledge that it will take no hasty action.

Under these circumstances, the ROK decides to take the following measures:

1. The ROK Government will request that the U.S. Government upgrade the alert to Defcon 3.
2. The ROK Government will promise the U.S. Government that it will not take any measure which is likely to aggravate the crisis.
3. The ROK Government will send a peace message to the Pyongyang government promising that it will take a nonintervention, noninterference, and neutral position toward North Korea's internal affairs, allowing North Korea to solve its own problems by itself, and that when the internal chaos in North Korea comes to an end, the ROK will maintain the policy of friendship it has long pursued toward North Korea.

North Korean Patrol Boat Opens Fire in ROK Territorial Waters; on the Following Day KAL [Korean Air Lines] Plane Hijacked to North

Stage 2:

On 11 February an ROK patrol boat is attacked by a North Korean patrol boat in the ROK territorial waters. In the ensuing exchange of fire, the North Korean patrol boat is sunk. Kim Chong-il vows a reprisal. In a few hours a North Korean air plane appears on the scene of the incident, and a North Korean naval fleet moves into the vicinity. Emotions heat up in the capital cities of Seoul and Pyongyang. On the following day, a KAL Flight 028 carrying a ROK major general, an American major general, and the ROK vice defense minister among its passengers is hijacked to Pyongyang.

The members of the U.S. National Security Council (NSC) take note of the fact that in the first-stage period the National Security Council recommended to the President that he issue no statement whatsoever, with a view to preventing any premature assessment on the development of the situation. Because the U.S. President previously assured the American public that there was no crisis on the peninsula, he now finds himself in an awkward position in the face of the new developments.

With regard to the clash between the two patrol boats, the U.S. NSC limits its early reaction to requesting the American ambassador in Korea that he obtain the ROK Government assessment of the situation and file a report by attaching his own assessment of the situation.

The U.S. NSC adopts the following decision on the hijacking of KAL 028:

1. The United States will notify the ROK Government that it will mobilize its counter terrorist mechanism.
2. Two American aircraft carriers will be moved to the Eastern Sea.
3. The United States will notify the North Korean Government through the Swiss Embassy that it hopes North Korea will arrest the hijackers and return the airplane with its passengers.
4. The U.S. Government will ask the Governments of the Soviet Union, China, India, and Yugoslavia to exercise good offices to persuade the North Korean Government to insure an early and safe release and return of the hostages and the hijacked plane.
5. The measures outlined in Items 3 and 4 above will be announced during a briefing session at the White House.

North Korea Mines Pusan Port, CFC Placed in Defcon 2

The CFC commander reports that in view of the intensifying North Korean infiltration of and sabotage in the South, he has discussed with the ROK Joint Chiefs of Staff and the Defense Ministry the question of placing troops in Defcon 2 and the question of releasing U.S. war materiel stockpiles. The CFC also reports that Pusan Harbor has been mined in what appears to be an action by a North Korean submarine. The CFC requests a repositioning of navy ships from Diego Garcia.

Acting upon the CFC report on the increasing North Korean infiltration and sabotage in the ROK, the U.S. NSC decides to instruct that the Marine Expeditionary Force in Okinawa undergo preparatory training. The commander of the U.S. Forces Pacific requests to the CFC commander that he make a recommendation within three days as to whether more troops should be deployed to South Korea. At the same time, the commander in chief of the U.S. Forces Pacific instructs the commander of the U.S. Pacific Fleet to have a force ready for mine laying operations in North Korean harbors.

With an additional report coming in with regard to the North Korean infiltration and sabotage in the South, the U.S. Joint Chiefs of Staff instructs the commander in chief of the U.S. Forces Pacific to complete preparations for putting into effect the plan to beef up the U.S. Air Force in South Korea. But the implementation of this instruction goes haywire due to the controversy over the operational control of the U.S. 7th Air Force, which in peace time is under the control of the commander of the U.S. Pacific Air Force. It has been proven that there is

difficulty in the line of command between the commanders of the CFC in Korea, the U.S. Pacific Air Force, the U.S. Forces Pacific, and the U.S. NSC. As the response of the U.S. Air Force delays, another problem crops up.

After studying the early measures, the U.S. secretary of state sends messages to India and Yugoslavia asking them to have their ambassadors in Pyongyang contact the passengers and crew of KAL 028 to ascertain their condition.

It is reported that the hijacked KAL plane has been released and it is now headed for Japan with all its passengers on board except the two ROK and U.S. generals and the ROK vice minister of defense. After all, the three unreleased high-ranking officials are held by North Korea as hostages. The CFC commander requests the implementation of the first-stage plan to beef up the Pacific Air Force (four tactical fighter air squadrons and one reconnaissance squadron). At the request of the ROK defense minister, the CFC commander puts his troops in Defcon 2, unaccompanied by a mobilization order.

Previously, the U.S. NSC made the decision that any significant troop reinforcement should require presidential approval. Accordingly, the aide in charge of security matters searches for a way to obtain presidential approval on the CFC commander's request for an increase in the fighter and reconnaissance units. The President rejects the request on the grounds that any such measure at this time is inappropriate because it would only aggravate tension on the Korean peninsula.

Meanwhile, in the second stage, due to the aggressive behavior of North Korea, such as the attack on the ROK patrol boat in the Eastern Sea, the hijacking of the KAL plane, and infiltration of the South, the ROK becomes more concerned about the situation. The director of the ROK Agency for National Security Planning (NSP) delivers to the ROK National Security Council the following intelligence report concerning the critical situation:

(1) Kim Chong-il seems to have ordered the North Korean military to deliberately worsen the situation. It is assumed that he needs to aggravate tension for domestic reasons.

(2) It is anticipated that North Korea will step up small-scale military attacks upon and subversive infiltrations into the South. If clashes occur due to such attacks, they can easily escalate into a military conflict between North and South.

(3) The ROK Government should take appropriate measures to prevent the escalation of the crisis, to defuse the antigovernment movements at home, and to court favorable foreign press reports.

After studying this intelligence report and other matters, the members of the ROK National Security Council

[NSC] come to the conclusion that North Korea has taken offensive actions for domestic political reasons.

Nevertheless, Korean mass media report that public opinion in favor of a more decisive counterattack is applying pressure on the government. Media, remembering the shock of the Rangoon bombing incidence, maintain that the current situation is the moment of the most acute political tension for the Sixth Republic.

Under these circumstances, discussions at the ROK NSC are focused on three important policy issues, namely, North Korea's aggressive posture, the hijacking of the KAL passenger plane, and the antigovernment movements in South Korea.

To counter North Korea's hostile behavior, the ROK NSC decides to heighten general alertness and have the CFC commander upgrade Defcon 3 to Defcon 2. The ROK Government does not want an all-out mobilization, but wants a partial mobilization necessary to protect some important installations.

With regard to the hostage issue, the ROK NSC sends messages to the International Civil Aviation Organization (ICAO) and the North Korean Red Cross Society requesting humane treatment for the hostages. The ROK NSC members demand a stronger response and send messages to the ROK and U.S. Governments stressing the need for their closer military cooperation with international organizations. Now that the passenger plane is returned with most of its passengers, the efforts of the ROK are focused on obtaining the release of the high-ranking ROK and U.S. officials still held hostage.

On the issue of the dissident forces at home, the ROK NSC recommends that the president issue a message to the Korean people proclaiming the basic principle for the preservation of peace. However, stressing the need for self-defense, President No Tae-u asserts that the ROK is well prepared to defend itself and that the public support of the government is of decisive importance in overcoming the current crisis.

Soviet Naval Assault Force Observed Moving South; China Calls For UN Peace Measures

Stage 3:

There has been no progress in the efforts to obtain the release of the three hostages. Following the destruction of communication facilities in South Korea by sabotage, the ROK and the United States agreed to go into Defcon 2. The Soviet Union, India, and Yugoslavia have spared no efforts for the release of the three hostages held in North Korea.

A Japanese Maritime Self-Defense Force patrol reports that the Soviet Navy assault fleet moving north from an exercise changed its course to head southward toward the site of the previous naval clash.

At 1400 hours on 14 February TASS quotes the Soviet foreign minister as denouncing the brazen act of the ROK Navy in sinking a North Korean patrol boat on a routine patrol duty.

China issues a statement expressing regret over this military confrontation and demanding an immediate UN investigation of the current state of affairs which is threatening the peace and security of the world.

The Government of Japan also issues a statement expressing regret over the military incident and supporting the inviolability of territorial waters.

Shortly before midnight on 13 February there occurred three serious shooting incidents in which even automatic firearms were exchanged between the observation posts (OP's) of North and South Korea, resulting in two ROK soldiers killed and 10 others injured.

Upon studying these incidents, the U.S. NSC abandons its earlier hypothesis that provocations by North Korea are merely a product of the internal strife within the Pyongyang regime. Council members now believe that North Korean provocations are part of a deliberate plan to put pressure on the ROK and may be supported by the Soviet Union. The U.S. NSC seeks to hear the views of the ROK Government and the CFC with regard to this analysis and the possibility of implementing the buildup plan for the ROK forces. The CIA director requests the opinions of intelligence organizations on the same matters.

After studying the possibility of calling up Gorbachev over the hotline to discuss the possibility of taking measures to cope with the situation, it has been decided that a diplomatic note be sent to Moscow stating that it is more appropriate to work out countermeasures over the hot line.

The CFC commander and the U.S. ambassador in Korea submit conflicting reports as to who has the responsibility for consulting with the ROK Defense Ministry. The U.S. NSC reaches the conclusion that the CFC in his capacity as the commander in chief of the UN Forces and the ambassador in his capacity as the President's proxy should both directly contact the Defense Ministry.

The CFC commander urges an all-out implementation of the plan to beef up ROK forces, but his call meets with resistance from the ROK NSC, which seeks a buildup of the air force only. The U.S. NSC inquires of the ROK Government about what is at the root of this issue, but the ROK Government wants to look for ways to have the president approve the all-out buildup plan as soon as pertinent conditions are in place. However, despite continuing North Korean provocations, the president expressed his misgivings that the NSC tends to move too fast.

By way of demonstrating the U.S. determination, the CFC commander notifies the chairman of the U.S. Joint Chiefs of Staff that he plans to keep the 2d Infantry

Division stationed along the DMZ (instead of redeploying it into the rear far from the DMZ). The U.S. NSC, apprehensive of this departure from the original plan, calls up the CFC commander over the phone to express its misgivings. But after hearing that any redeployment of the 2d Infantry Division would jeopardize the current defensive operations, the NSC reluctantly condones the CFC plan.

At this point the U.S. NSC begins to fear that a reinforcement of U.S. Forces may take too much time. To pave the way for a speedy reinforcement, the U.S. NSC asks the Government of Japan for permission to transit Korea-bound U.S. troops through Japanese bases, and this permission is granted. The U.S. NSC also calls for the convocation of a UN Security Council session to condemn North Korea and the Soviet assistance to North Korea. U.S. NSC members are now agreed that the hostage issue is part of the context of a greater crisis issue.

North Korean Fighter Attacks ROK Air Force Plane, U.S. Decides To Evacuate Its Citizens From Korea

The situation continues to deteriorate. An ROK Air Force RF-4 is shot down by a North Korean fighter plane, and intelligence reports indicate that North Korea is reinforcing its forces in areas north of the DMZ. The ROK NSC now agrees to the implementation of the ROK military buildup plan and issues a mobilization order. The oversensitive U.S. President concurs. The U.S. NSC rejects the CFC commander's request for permission to use chemical weapons, but approves his request for the lifting of the restrictions on war materiel stockpiles in Korea.

The U.S. NSC is greatly encouraged by the report that China is opposed to the actions being taken by North Korea and the Soviet Union and may move to seal off Tsingtao, which has been suspected of being used as a center for reconnaissance operations. On the other hand, serious disturbances occur in Poland and East Germany, and the Soviet Union clamps restrictions on travel to and from East Berlin. In view of these developments, the U.S. NSC issues Defcon 2 for the U.S. Forces in the western Pacific and Defcon 3 for the rest of the U.S. Forces, including the Strategic Air Command. The U.S. NSC approves the CFC commander's recommendation that U.S. citizens and third-country nationals be evacuated from South Korea. The U.S. President, through consultations with congressional leaders, becomes cognizant of the intention of North Korea and the Soviet Union to attack.

Meanwhile, ROK NSC members begin to consider a possible military retaliation against North Korea. The ROK defense minister requests information concerning the possible targets and basic conditions for a limited military operation. Before the RF-4 was shot down, ROK NSC members looked for a nonmilitary solution. But the RF-4 incident and North Korea's refusal to

release the hostages prompt them to consider the possibility of military action. Because of the intelligence information that part of the North Korean Army is moving into the vicinity of the armistice line and Kim Chong-il's provocative statement, the ROK Government takes the threat posed by North Korea seriously.

ROK at Last Issues All-Out Mobilization Order, Martial Law Issued for Areas North of Seoul

Under these circumstances, the ROK NSC looks for a solution in two ways.

With regard to the hostage issue, the ROK Government studies the possibility of a military action while pursuing diplomatic activities through the ICAO and the U.S. Government. ROK NSC members want to ascertain the official position of the U.S. Government on a possible military retaliation and asks for advice as to what military action is possible. The statement of the Soviet foreign minister branding the reaction of the ROK Government as excessive and dangerous makes ROK NSC members hang back. The ROK Government, however, regarding the threat from North Korea as very serious, issues an all-out mobilization order and places areas north of Seoul under martial law. The ROK foreign minister ordered the ROK mission in the United Nations to request the convocation of a UN Security Council session.

At the same time, the ROK Government expresses strong opposition to the possible redeployment of the U.S. ground troops from the western front to the rear. The ROK Government argues that the U.S. ground forces deployed along the DMZ constitute the most effective deterrent to North Korea's attempt to invade the South. The U.S. ground force redeployment plan, which was approved by the U.S. NSC but opposed by the commander in chief of the U.S. Forces Pacific, comes to be regarded as a serious challenge to the security relationship between the ROK and the United States. The ROK NSC also decides to send a message to the U.S. Government clarifying the ROK defense posture and asks the U.S. ambassador in Korea to convey to the U.S. public the ROK Government's peaceful intentions with regard to crisis management.

Stage 4:

The North and South Korean leaders hold separate press conferences on 17 February blaming each other for the latest developments. ROK media report that the North Korean forces are now in a high state of alert. On the morning of the same day, an opposition party leader was killed when his car was blown up, and his party demands an immediate investigation of the incident. Mass media both in the ROK and the United States report that a military crisis is imminent. Kim Chong-il sends a message to the U.S. President calling for bilateral talks to discuss the hostage issue. Meanwhile, the Pyongyang regime requests a quadripartite Military Armistice Commission (MAC) meeting in Panmunjom.

The U.S. NSC agrees to the proposal for a MAC meeting but rejects the proposal for a Geneva meeting which will exclude the ROK. The United States postpones the plan to beef up its forces in South Korea. The U.S. State Department assures China that the CFC has no intention of launching an attack. He also issues a communique making it clear to the parties concerned that the United States will not negotiate for the release of the hostages. Nevertheless he loudly tells the ROK foreign minister about the possibility of holding Panmunjom talks between the United States, the ROK, and North Korea "to discuss overall problems." This is in line with the UN Security Council resolution.

Reportedly, Kim Chong-il is injured in an assassination attempt on him, but the senior North Korean MAC delegation declares that the North Korean Armed Forces have no intention of invading the South, asserting that North Korea "hopes that war will be averted by reducing tension and hostility which are at a dangerous level."

In response to the signs of change taking place in North Korea and to the reports that there is an internal strife in Pyongyang, the U.S. secretary of defense urges the ROK defense minister to maintain the CFC forces in a thoroughly defensive and unprovocative posture. The U.S. secretary of state conveyed the intentions of the United States and the ROK to Pyongyang through Switzerland. The U.S. secretary of defense ordered the U.S. Forces to be pulled back south in accordance with the prearranged plan despite the opposition of the ROK defense minister. However, he agrees to keeping a token regiment and a support artillery unit of the 2d Infantry division in order to insure the security of the DMZ.

Dramatic Development Occurs in Pyongyang, Crisis Ends With Hostage Release

Meanwhile, the leadership of the United States and the ROK are divided over the CFC commander's recommendation that a ground-to-ground missile attack be launched against the North Korean ground-to-ground missile (SAM) bases. The U.S. President approves this recommendation after due consideration.

Nevertheless the issue is resolved as a result of a dramatic development in North Korea. Reports say that Kim Chong-il died of the assassination injuries. In fact, North Korea has been thrown into a state of anarchy. The negotiating posture of the North Korean delegation in Panmunjom shifts from a yelling to a conciliatory tone, and North Korea releases the hostages unconditionally.

Thus the crisis across the armistice line abruptly ends in peace as North Korea again focuses its attention on the domestic chaos.

Meanwhile, the U.S. NSC intensively studies the North Korean assault and the political situation inside the ROK.

In the domain of domestic politics, the ROK Government takes a number of measures to resolve the political confusion created by the death of an opposition leader in a car explosion. The ROK NSC decides to send a high-ranking presidential secretary to the funeral services for the victim of the bomb blast, and issues a special message to the public pledging that the government will conduct a thorough investigation of the terrorist incident.

On the issue of how to deal with North Korea's hostile behavior, the ROK NSC strongly prefers a military retaliation. The ROK NSC members send a message to the American ambassador in Korea stressing the need for a stern military reprisal. The ROK defense minister also tells the U.S. secretary of state that the hostage issue is not a matter amenable to negotiation and that it is urgent for the United States and the ROK to put greater pressure on North Korea. But the U.S. Government objects to any escalation of tension, and the ROK NSC members recognize the seriousness of this difference of opinion.

Nevertheless no series of negotiations have been attempted between the Governments of the ROK and the United States to discuss the possibility of mounting a ground-to-ground missile on the North Korean SAM missile bases. Only a single missile is launched, producing a very visible effect.

The UN Security Council passes a resolution requesting that the United Nations Command in Korea make a more thoroughgoing investigation of the situation and urging North and South Korea to agree to hold direct negotiations. The crisis on the Korean Peninsula is brought to an end thanks to the assassination attempt on Kim Chong-il, his serious injuries, and the conciliatory posture of the North Korean military delegation at Panmunjom.

French Daily Quoted on Kim Chong-il Succession

SK2802082190 Seoul KYONGHYANG SINMUN
in Korean 28 Feb 90 p 2

[YONHAP from Paris]

[Text] On 28 February, LE MONDE in France reported that North Korea's Kim Chong-il is now being "treated" the same as Kim Il-song. LE MONDE added that the work of turning over power from Kim Il-song to his son has been under way since late last year.

Quoting remarks by experts in North Korean affairs in an article sent from Tokyo, LE MONDE said that there is an indication that Kim Chong-il's treatment has been raised to the same level as Kim Il-song, and that a transfer of power is ongoing. There is an indication that Kim Chong-il's official succession to power will possibly take place during the Seventh Party Congress in 1992.

Reporting that Kim Chong-il's 48th birthday on 16 February was observed in a unprecedentedly enthusiastic manner throughout North Korea, LE MONDE said that Kim Chong-il's life was the focus of a number of movies and ideological symposiums. LE MONDE added that gifts from leaders of various nations were reportedly presented to Kim Chong-il. In this way, the newspaper called attention to the fact that various commemorative events were held at the same level as events that have been held for Kim Il-song.

Military Officials Dismiss North's Wall Claims

SK0103001790 Seoul THE KOREA TIMES in English
1 Mar 90

[Text] Chorwon, Kangwon-to—There exists a concrete wall in front of a South Korean frontline unit here. It measures five meters high and 2.5 kilometers long. A similar wall which North Korea built is also witnessed in the plains of the northern side in the Demilitarized Zone, according to guards here.

Army and Defense Ministry officials say that the wall in the South Korean side is anti-tank barrier only for defensive purpose, not like the Berlin Wall. There are 10 more of such walls in the south of the border line, according to them, which they say are no barrier to free travel between South and North Koreans.

The walls, which were constructed over 10 years ago, have come to international attention after North Korean leader Kim Il-song raised the issue in his New Year's Message in the wake of the crumbling of the Berlin Wall.

Lt. Col. Pak Si-hon says that the concrete walls were built in 1978, and only are in plain areas and that walls have captured worldwide attention. He cited a series of North Korea's "offensive tactics" including the deployment of crew-served weapons such as 82-mm recoilless rifles and midnight firing—all violations of the Armistice Agreement which was signed in 1953 to end the three-year-long Korean War.

"If the world is inclined to seek appeasement, it should direct its attention to North Korea's offensive steps rather than the anti-tank obstacles," he said. The walls are situated only in the western frontlines as the mountainous areas in the center and east constitute natural barrier against tanks which roared across the 38th parallel during the Korean War.

"North Korea's regiment and division headquarters are situated just 3-3.5 kilometers and eight kilometers north of the border respectively, while ours are seven kilometers and 14 kilometers south of the 155-mile DMZ. Now you tell me which side is more offensive," he said.

According to the commander of the frontline battalion, it is North Korea that has prevented free passage of people between the ideologically divided countries as it has erected electrified fences as well as barbed wire across the border.

"The electrified fences were built 1.5 kilometers north of the demarcation line from the east to the west. There are also mines fields. All are combined to prevent North Korean civilian and military personnel from venturing to the South for freedom," he said.

"They also have constructed concrete walls which you can see with your own eyes in front of this post." These are 1.2-km and 1.9-km concrete anti-tank structures in this area alone," he added.

A brigadier general of a nearby unit, known as Sungni (Victory), said that North Koreans are building more guard posts and tunnelling underground storages across the border.

Minister Details Business Agreements With Iran

SK2402002590 Seoul THE KOREA HERALD
in English 24 Feb 90 p 6

[Text] Korea and Iran have concluded business negotiations totaling \$510 million. The projects agreed on in the third session of the Korea-Iran Joint Economic Commission Feb. 17-19 include the construction of our VLCC (very large crude carrier)-class tanker vessels by Daewoo Shipbuilding and Heavy Machinery Ltd., worth \$330 million.

Minister of Energy and Resources Yi Pong-so who led the Korean delegation, told reporters here yesterday that the Iranian side asked for positive participation in the country's postwar rebuilding projects by Korean companies. The Korean delegation made it clear that the economic cooperation between the two countries should be initiated by private businesses with due supports from the government.

Commenting on the construction of a petrochemical complex in Bandar Khomeini abandoned by a Japanese company, Yi said Korean firms' chances are high to undertake the project. Other projects agreed on in the three-day session include a second-phase building of a gas refining plant by Daelim Industrial Ltd., worth \$150 million, and crude storage tank in Kharg Island by Sangyong Construction Co., worth \$30 million. Also discussed are the automobile assembly line by Daewoo Motors Co., updated telephone switching system, basic design for Bandar hydropower plant and stable supply of oil.

In the noneconomic sector, Iran agreed on early release of two Korean fishermen detained in the country since July 1988, the signing of aviation contracts in the near future, and simplification of visa issuance procedures, Minister Yi said.

Cambodia

Further Views on Cambodian Situation, Jakarta

Hun Sen News Conference

*BK0103145190 Phnom Penh Domestic Service
in Cambodian 1300 GMT 1 Mar 90*

[News conference by Hun Sen, chairman of the Council of Ministers, with local and foreign journalists at Phnom Penh airport on 1 March; questions asked by unidentified foreign correspondents are indistinct followed by Cambodian translation]

[Text] Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, minister of foreign affairs, and head of the delegation of the State of Cambodia to the talks in Jakarta, returned home safely at 1430 on 1 March after attending the Informal Meeting on Cambodia in Jakarta, Indonesia.

Welcoming Comrade Hun Sen at Pochentong Airport were Comrade Chea Soth, member of the party Central Committee Political Bureau and vice-chairman of the Council of Ministers; Comrade Mrs. Men Sam-an, Political Bureau member and chairman of the Central Committee's Organization Commission; Comrade Ney Pena, Political Bureau member and chairman of the Central Committee's Propaganda and Education Commission; Comrade Nguon Nhel, Political Bureau member and secretary of the Phnom Penh City Party Committee; Comrade Sar Kheng, Political Bureau member and chief of the party cabinet; Comrade General Tie Banh, Political Bureau member, vice-chairman of the Council of Ministers, and minister of national defense; Comrade General Sin Song, Political Bureau alternate member and minister of the interior; Comrade Sim Ka, Political Bureau alternate member and vice-chairman of the party Central Committee's Control Commission; Comrade Kong Sam-ol, member of the party Central Committee and vice-chairman of the Council of Ministers; and several other party Central Committee members and leaders of party, state, and mass organizations. Ambassadors, charges d'affaires, and representatives of friendly embassies were also present.

Upon his arrival, the comrade chairman of the Council of Ministers called a news conference to inform his compatriots and national and foreign journalists of the results of the Informal Meeting on Cambodia.

[Begin recording] [Hun Sen] I would like to inform my compatriots as well as all of you of some aspects of the informal meeting in Jakarta. As some of you already know, this meeting ended without any document being signed. All previous meetings ended with a statement. This has caused some segments of public opinion to say that this latest conference was a complete failure. If not producing a document means that a conference has failed, then we can say that this conference was a failure. However, if we look closer we will see that there was

agreement on several fundamentally important points concerning the Cambodian problem, and consequently we can say that the conference made some progress.

One thing we must realize is that this Jakarta meeting was held to discuss the proposals of Australian Foreign Minister Senator Evans. These proposals sidestepped the major issues which caused a deadlock at the Paris conference. Everyone knows that the deadlock at the Paris conference was a result of the power-sharing issue during the transitional period, or in other words, the dissolution of the two governments and creation of a quadripartite government during the transitional period. The Australian proposal aimed to use the United Nations to cross this transitional period and to organize elections in Cambodia. During the discussions, there seemed to be a general consensus on the UN involvement in the Cambodian solution. This is the most important point, the main agreement reached at this meeting.

Allow me to emphasize that the State of Cambodia has accepted the creation of an interim UN authority in Cambodia. This interim UN authority has two main mandates: first, to supervise implementation of international accords on Cambodia, and second, to organize elections in Cambodia. At the same time, I am prepared to discuss the setup of the UN civil administration in the transitional period. I also would like to clarify that this does not mean the dissolution of the Phnom Penh government, but there is a suitable formula to guarantee neutrality in order to create a climate of trust leading toward free elections.

This stance was welcomed by the conference. However, the other side continued to raise the question of creating a quadripartite government. This idea is outdated as we have already decided to use the United Nations as an interim authority to organize elections in place of the interim authority that the Cambodian factions failed to create. Therefore, if we look at the key contents of the question, we can see that important progress was made. Some may ask why the conference did not produce a final statement. This was because the genocidal Pol Pot clique was given the right to veto. The Pol Pot clique sabotaged the first and the second JIM's [Jakarta informal meetings] and destroyed the Paris international conference. Now, they used their veto right to destroy the final document of this conference. What they vetoed was the document already finalized at the Paris conference which dealt with the question of preventing the recurrence of the genocidal regime, of genocide. This was the point that the Khmer Rouge tried to reject by destroying the whole document. The conference cochairmen tried to compromise on this document by presenting several formulas it could be published. The Khmer Rouge rejected every single formula.

I would like to stress that there were some questions of principle. At the first and second informal meetings in Jakarta, we used the principle of consensus, that is, agreement of views, but at the Paris conference we used

the principle of unanimity. Basically, when there is no unanimity of views, there is no document. I am not blaming the principle of unanimity. What is significant is that the Khmer Rouge vetoed the point already unanimously adopted in Paris. It is therefore evident that the Khmer Rouge intended to destroy the conference. The Khmer Rouge was refusing to go to Jakarta weeks before the meeting, but they relented because of pressure from the international community. They went to Jakarta not to contribute to the progress but to destroy it.

It is my belief that if we continue to give the genocidal Pol Pot clique the right to veto, we will not find a solution to the Cambodian problem. The only path the international community should take is to punish the genocidal clique and especially to cut off all kinds of assistance to them. This will force them back to the negotiating table to work for a genuine political solution. If we continue to give them aid, they will continue to have the right to veto at the negotiating table. As a result, no peace agreement will be reached in Cambodia. These are the points I wish to inform my compatriots of, as well as all of you ladies and gentlemen present here.

[Correspondent] Therefore, in the sense of finding a solution, what is the next step? What step, what stance will you take?

[Hun Sen] We should wait for awhile to see how the public reacts to this unsuccessful Jakarta meeting. Personally, I believe the Australian proposals which have already been discussed and on which some progress has been made still remain the basis for the solution to the Cambodian problem. We should not allow the Pol Pot clique to use its right to veto on points that have generated progress; we should not let them use one question to destroy another question. Therefore, it is time for the international community to make its position clear on the question of genocide. Should it recognize their legitimacy and help to strengthen them or should it prevent the genocidal clique and punish it? This is a very important point.

[Correspondent] Mr. Minister, do you intend to force them back to the negotiating table through the use of military pressure?

[Hun Sen] Normally, I never have the desire to use military force to pressure them at the negotiating table. Our offensives in western Cambodia have been launched almost against our will because we have to save the lives of Cambodians. The attacks on and capture of Svay Chek and other regions were not intended to serve the negotiating table. This was our duty for the sake of our people. About a month ago, the other side announced that they would capture Sisophon before the Jakarta meeting. On 14 February, Son Sann himself declared that he would seize Sisophon before the Jakarta meeting. For this reason, our government decided to preempt their attacks by attacking them first. Therefore, these attacks had nothing to do with the Jakarta talks. We have

no plans to use military pressure to serve future negotiations. Our activities are just part of our duty.

[Correspondent] When you talked about the reaction of the international community, did you mean the United Nations [words indistinct]?

[Hun Sen] The welcome was due to our acceptance of a UN role in the Cambodian solution. I have already stressed that the role of the United Nations in Cambodia is more important than its role in Namibia and other places. In Namibia, the elections were organized by the local authorities with the United Nations as a sponsor only. Here, we said we are ready to hand the United Nations the tasks of organizing the elections and supervising them. At the same time, we agreed to discuss a number of options concerning UN involvement in the civil administration in Cambodia. By now, however, everyone should know, as I have repeatedly stressed, that there can be no dissolution of the Phnom Penh government and its administrative infrastructures.

[Correspondent] I have one question that can be divided into two parts. First, did you notice any change in the position of the Sihanouk and Son Sann groups in Jakarta? Second, you said that there would not be a UN role in the civil administration during the transitional period. How can the elections be held, and can there be a compromise between the two methods, since there will be both the UN authority and the local government?

[Hun Sen] Regarding the stance of Son Sann and that of the delegation of Samdech Sihanouk, in general the two stances did not differ much from each other at the beginning of the meeting. Later on, we noticed some splits between these delegations. Son Sann and the delegation of Samdech Sihanouk supported this document. The Khmer Rouge alone opposed it.

Concerning the question of the UN role and the local Cambodian government, let me stress that the United Nations has two duties. One is to supervise and the other is to organize the elections. During this period of transition, the local administration will maintain order, manage the everyday economic life in society, and directly exercise the sovereignty of Cambodia. This government hands the United Nations the duty of organizing the elections. It was said that without dissolving the Phnom Penh government the elections could not be held. In the Philippines, President Marcos organized elections at a time when he controlled the Armed Forces and police forces, and Mrs. Aquino was the one elected. Similar experiences can be seen in Nicaragua, and recently in East Europe. Therefore, the elections can be held. In Namibia, it was the local administration which organized the elections with the help of the United Nations. Thus, with the United Nations given the task of organizing and supervising the elections, the people's right to self-determination will certainly be well ensured.

I would like to say that our government and the government of Democratic Kampuchea are concerned about different issues. The party of Democratic Kampuchea is

worried that it might lose some votes. It therefore demands that our government be dissolved and a coalition government be formed to organize the elections. We have taken care of their concern. Yet, no one is concerned about our worries. What are our problems? First, the question of Cambodia's sovereignty is inviolate. Thus, there is no question about placing Cambodia under the complete trusteeship of the United Nations. A national council which may be created would not bear enough authority to keep the sovereignty. It would only be a symbol. The incumbent government would exercise sovereignty. The second worry is the question of social order and the economic life of the society. This is an important question. There must be no chaos during the transitional period if we want to have a free election. Our third concern is preventing the recurrence of the Pol Pot regime. If the Phnom Penh government is dissolved, the return of the Pol Pot clique would be facilitated. Everyone knows that besides the forces of the Phnom Penh government, no other forces can match or oppose the forces of the Pol Pot clique. The forces of Samdech Sihanouk and Son Sann still remain the allies of Pol Pot.

Thus, the concerns of the two sides are different. On the one side, there are concerns about losing some votes, and on the other there are worries about possible social chaos and the losses of lives of the Cambodian people. Their concerns about losing some votes have been solved through the use of the United Nations. However, no attention has been given to possible chaos and the losses of the people's lives. I understand that the final solution does not lie in the issue of power sharing during the transitional period. The key to a solution is a free and equal election. Therefore, the UN role in Cambodia should concentrate on conducting the elections.

[Correspondent] Do you wish to meet with Samdech Sihanouk again in order to [words indistinct] after the failure of the Jakarta meeting?

[Hun Sen] In the joint statement issued by Samdech Sihanouk and myself in Bangkok, we promised to meet at a time and a place to be mutually agreed upon. I am prepared to meet with him when he feels it is necessary. [end recording]

Political Bureau Meets

BK0203052590 Phnom Penh Domestic Service
in Cambodian 0430 GMT 2 Mar 90

["Communique of the Political Bureau of the Kampuchean People's Revolutionary Party Central Committee on the informal meeting on Cambodia in Jakarta"—dated 2 March; read by announcer]

[Text] On 2 March 1990, the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee held a meeting under the chairmanship of Comrade General Secretary Heng Samrin to hear a report by Comrade Hun Sen, member of the KPRP Central Committee Political Bureau, chairman of the

Council of Ministers, and foreign minister, on the outcome of the informal meeting on Cambodia held in Jakarta from 26 to 28 February 1990.

The KPRP Central Committee Political Bureau expressed profound thanks to the government and people of Indonesia for creating favorable conditions for accelerating the search for a political solution to the Cambodian problem. It expressed satisfaction over Comrade Hun Sen's report on the active support given by the Jakarta meeting to the State of Cambodia's goodwilled stance on the appropriate role of the United Nations in the solution to the Cambodian problem which includes two major points. One is the supervision of the troop withdrawal, cessation of military aid, and a cease-fire. The other is the preparation, organization, and supervision of general, free, correct, and democratic elections.

Concerning UN involvement in the civilian administration during the transitional period, the State of Cambodia is ready to discuss all the formulae proposed in the initiative by Australian Foreign Minister and Senate Gerath Evans. The KPRP Central Committee Political Bureau highly valued this initiative which may serve as a basis for the future talks. It estimated that although the meeting failed to issue its final document due to the veto by the Pol Pot clique, this meeting had made remarkable progress which provides the groundwork for future discussions on the essential issues to advance toward reaching a solution to the Cambodian problem through free and fair elections.

The KPRP Central Committee Political Bureau also expressed regret over the obstinance of the Khmer Rouge group, which destroyed the meeting and the search for a political solution to the Cambodian problem and remarked that if the Pol Pot clique is further allowed to use its right to veto, peace cannot prevail in Cambodia. It also said that the best way is to punish the genocidal Pol Pot clique and cut its aid to prevent the return of the genocidal regime and compel this clique to accept a reasonable political solution to the Cambodian problem. Continuing to give aid and legitimacy to the Pol Pot clique not only will enable the clique to oppose any peaceful solution but will also create possibilities for it to return to renew its massacre against the Cambodian people.

The KPRP Central Committee Political Bureau emphasized that the State of Cambodia's proposal on the prevention of the return of the genocidal regime, which was unanimously approved by the Paris conference, is not just an expression but an essential principle and a key issue in the peace settlement in Cambodia and a guarantee for the vital interests of the Cambodian people. The State of Cambodia will not sign any agreement nor accept any document related to the settlement of the Cambodian problem which does not mention the prevention of the return of the genocidal Pol Pot regime.

[Dated] Phnom Penh, 2 March 1990

Paper on Search for Solution

BK0203044990 Phnom Penh Domestic Service
in Cambodian 1300 GMT 1 Mar 90

[PRACHEACHON commentary: "It Is Imperative To Further Promote the Search for a Political Solution to the Cambodian Problem"]

[Text] During the past nearly five months following the total withdrawal of Vietnamese army volunteers from Cambodia, more countries have been actively launching diplomatic activities to contribute to the search for possibilities to quench the flames of the conflict in Cambodia through peaceful political means. Thai Prime Minister Chatchai Chunhawan's initiative for a ceasefire, the Soviet Union's proposal on cessation of all foreign military aid to the warring Cambodian groups, Australian Foreign Minister Gareth Evans's plan on an active United Nations role in supervising the elections in Cambodia, the UN Security Council member countries' stance on the fact that the Cambodian problem cannot be resolved through military means, and the Western countries' unanimous view that the Pol Pot clique must not be allowed to return to power, have all been broadly supported internationally. This constitutes an important political opportunity for speeding up the search for a political solution in order to quickly end the war in Cambodia.

Cambodia's stance as expounded in the recent joint communique of the Cambodia-Vietnam-Laos conference of deputy foreign ministers and the recent successive initiatives by Comrade Hun Sen, head of the government of the State of Cambodia, have reflected the State of Cambodia's unchanging constructive goodwill toward reaching a reasonably comprehensive solution to the Cambodian problem—a solution that must be based on the key issues of the prevention of a return by the genocidal Pol Pot regime and the settlement of internal aspects of the Cambodian problem by representatives of the two governments in Cambodia.

According to the State of Cambodia's initiatives, the informal meeting in Jakarta should focus its discussions first on the questions of free, general elections, the State of Cambodia's permanent neutrality under UN control, and on turning Southeast Asia into a zone of peace, stability, and cooperation. This stance of the State of Cambodia has drawn general attention from countries and parties involved in the Cambodian problem and has brought about several rounds of talks regarding the problem and the resumption of the Hun Sen-Sihanouk forum in Bangkok. For example, the recent meeting between Comrade Chairman Hun Sen and Sihanouk in Bangkok constituted a new step forward or a bridge renewing the Hun Sen-Sihanouk dialogue, which had been destroyed during the Paris international conference on Cambodia. Undoubtedly, this resulted from the goodwill and efforts of the State of Cambodia together with those of a number of countries concerned which pursue a realistic stance.

As for the Cambodian opposition groups, there have been no fundamental changes in their strategic maneuvers regarding the Cambodian issue. Sihanouk and Son Sann still serve as the main smokescreen in concealing the criminal face of the Pol Pot clique. At all diplomatic forums, they have continued to openly defend the Pol Pot clique. During the recent Hun Sen-Sihanouk talks in Bangkok, Sihanouk shamelessly continued his bargaining, demanding that the State of Cambodia accept his so-called five-point proposal which is, in fact, a demand that the other side make unilateral concessions of withdrawing all Vietnamese troops from Cambodia, dismantling the legitimate government which is controlling the entire country, and allowing the genocidal regime to return to power in Cambodia. This is Sihanouk's obsolete proposal which has been repeatedly rejected by the government of the State of Cambodia. Such demands by Sihanouk are just wishful dreams. No one is foolish enough to accept such demands when Sihanouk's and Son Sann's forces and their allies—the Pol Pot forces which are regarded by Sihanouk as being quite powerful—are suffering successive defeats on the battlefield.

Everyone knows that the government of the State of Cambodia certainly cannot make the suicidal concession of dismantling itself. We solemnly declare once again that as the State of Cambodia cannot be dismantled through force of arms, it certainly cannot be dismantled on the negotiating table. Therefore, it is appropriate to say that in order to reach a correct and just political solution to the Cambodian problem, it is necessary to stop demanding the dismantling of the State of Cambodia and to decide the final stage of the solution through elections. Otherwise, all forums on the Cambodian problem will remain deadlocked and unable to make any progress.

Our people love and want peace more than anyone else because war only brings separation, misery, and loss. It will be even worse if the genocidal Pol Pot regime returns to power for the second time in Cambodia because it will continue to massacre our people, force all our people to live like beasts, without rights, and ruin our beloved motherland again. For this reason, it is absolutely necessary for our armed forces and people to struggle resolutely to seize total advantage on all battlefields in order to make the other Cambodian side accept the conditions for a solution which will ensure the vital interests of our people and prevent the return of the genocidal Pol Pot regime in Cambodia.

We hope and are firmly convinced that peace and justice-loving foreign leaders, countries, and people will continue to launch concrete and genuine activities in order to help accelerate the search for a political solution to the Cambodian problem, particularly through the Jakarta meeting on Cambodia, toward reaching concrete results in line with the real aspirations and interests of the Cambodian people and in accordance with the hope and expectation of world public opinion.

Reportage on 25 Feb, 1 Mar Battle Successes*BK0203070290 Phnom Penh Domestic Service
in Cambodian 0430 GMT 2 Mar 90***["Report From the Front Line"]**

[Text] According to news sources at the front line, though they were repeatedly smashed and driven off the battlefields by our people's armed forces, the remnant bandits of the three reactionary Khmer groups continue stubbornly and adventurously to rear their heads inside the country in an attempt to steal the food and property of the people and conduct sabotage against our people, especially in the regions near the Cambodian-Thai border. However, all their infiltration attempts have been successively frustrated by our people's armed forces. In fact, our armed forces clashed with the enemy in Kamnap village of Banteay Meanchey Province at around 2200 GMT on 1 March, killing 10 enemy soldiers, wounding several others, and forcing 27 others to surrender on the battlefield. They also seized 30 weapons and 600 rounds of assorted munitions.

On 25 February, a contingent of Division 2/86 clashed with the polpotist forces, killing 14 enemy soldiers, wounding a few others, and seized 11 weapons. At the same time, on the Preav and Badat battlefields, the armed forces of Division 1/79 killed 10 enemy soldiers and captured one alive. As a result of the fighting at Svay Chek, our armed forces killed a total of 266 enemy soldiers. The successive great victories won by our armed forces clearly testify to the position of strength and superiority of the State of Cambodia over the three reactionary Khmer groups and reflect the great exploits of the cadres and combatants of our people's armed forces.

Defense Official Says Aims to Take Thmar Puok*BK0203093090 Hong Kong AFP in English 0917 GMT
2 Mar 90*

[Excerpt] Phnom Penh, March 2 (AFP)—The Khmer Rouge and Phnom Penh forces have been fighting pitched battles in northwestern Cambodia over the past few days, a senior government leader has said here. Phnom Penh's Defense Minister General Tie Banh told AGENCE FRANCE-PRESSE Thursday [1 March] that both sides were launching strikes in the area of the lucrative gem-mining district of Pailin, near Thailand's border.

General Tie Banh also said government forces planned to seize control of a forward position held by non-communist guerrillas to the northeast of the Pailin area, at Thmar Puok, on strategic Highway 68, a supply line running parallel to the Thai border. The fighting was part of continued efforts to push back the Chinese-backed Khmer Rouge, Cambodia's former extremist Marxist leadership, and its non-communist coalition partners from areas captured by the guerrillas after Vietnam's announced military withdrawal from Cambodia in late September. A week ago, Phnom Penh troops regained

control of Svay Chek, a town of some 3,000 on Highway 68, captured in December by the Khmer People's National Liberation Front (KPNLF), one of the two non-communist forces allied to the Khmer Rouge. The other non-communist faction is made up of followers of Cambodia's former monarch Prince Norodom Sihanouk.

Thmar Puok, with a population of about 8,000, is defended by guerrillas belonging to both the prince's faction and the KPNLF. It is located some 20 kilometers north of Svay Chek. A KPNLF counter-attack Thursday from the northeast of Svay Chek to try to check the advance of the government forces towards Thmar Puok was beaten off, Phnom Penh officials said Friday. Khmer Rouge strikes in the Pailin area were apparently aimed at creating a diversion to relieve the pressure on KPNLF forces, the officials said. Gen. Tie Banh, however, gave no further details on the fighting between the government's forces and the Khmer Rouge, which was toppled from power in January 1979 by Vietnam's invasion of Cambodia, ending a near-four-year rule which claimed the lives of hundreds of thousands.

Other Phnom Penh officials had reported earlier this week heavy fighting near Treng, a town on Highway 10 which links Pailin, less than 10 kms from the Thai border, and Battambang, Cambodia's second-largest city, about 80 kms to the northeast. Treng straddles the highway halfway between Pailin, which fell to the Khmer Rouge in early November, and Battambang, the center of the country's main rice-growing area. Gen. Tie Banh said the Khmer Rouge and its non-communist allies had suffered heavy casualties and lost large quantities of weapons and ammunition in the fighting. He gave no specific figures. He also refrained from providing indications on losses on the government side. The government offensive in northwestern Cambodia started a few days ahead of the just-ended failed peace talks on Cambodia in Jakarta.

On returning here Thursday from three days of talks in the Indonesian capital, Phnom Penh Prime Minister Hun Sen contradicted, however, indications given earlier by officials here that the government offensive had been timed in anticipation of the meeting. The talks brought together the warring Cambodian factions, Vietnam, Laos, the six member nations of the Association of Southeast Asian Nations—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—Australia and France. Mr. Hun Sen told reporters that the fighting was "not related to Jakarta." It was "not designed to put pressure on the negotiating table," he insisted. Mr. Hun Sen added, however, that his government had decided on a military thrust partly to preempt announced intentions by the guerrillas to make advances in the field to coincide with the Jakarta meeting. [passage omitted]

SRV Says Phnom Penh Gets 'Appropriate' Aid

BK0203072090 Hong Kong AFP in English 0708 GMT
2 Mar 90

[By Charles-Antoine de Nerciat]

[Text] Phnom Penh, March 2 (AFP)—Vietnam is providing "appropriate" military aid to the government here but reports of Vietnamese combat troops remaining in Cambodia after Hanoi's announced military withdrawal are false, a senior Vietnamese official said here. "It is not true," Vietnam's ambassador to Cambodia Ngo Dien told AGENCE FRANCE-PRESSE on Thursday [1 March], reiterating a denial issued earlier this week by the official VIETNAM NEWS AGENCY (VNA), that Hanoi troops remained in Cambodia. "But we assist the Cambodians in every appropriate form," Mr. Ngo Dien said, without elaborating.

Mr. Ngo Dien was responding to reports that thousands of Vietnamese troops had been rushed to northwest Cambodia to beef up Phnom Penh forces facing stepped-up attacks from the tripartite resistance after Hanoi announced the completion of its military withdrawal from Cambodia in late September. The Soviet ambassador here and a senior Cambodian journalist also told AFP in interviews this week that Hanoi did not have any troops in Cambodia to fight a coalition dominated by the Chinese-backed Khmer Rouge. But Moscow's ambassador, Rashit Khamidulin, said that some Vietnamese military personnel were attached to the command structures of the Phnom Penh government forces.

The guerrilla coalition, which joins the Marxist Khmer Rouge with non-communist followers of former monarch Prince Norodom Sihanouk and the Khmer People's National Liberation Front, has disputed Hanoi's pullout. Vietnam invaded Cambodia in late 1978 to overthrow a genocidal Khmer Rouge regime and install a client government dominated by Khmer Rouge defectors. The Vietnamese military withdrawal, which Hanoi has said was concluded on September 26, has not been internationally verified. According to rumours here, 10,000 Vietnamese troops have been deployed in northwest Cambodia, particularly in the area of Battambang, the country's second largest city which the Khmer Rouge has claimed to have attacked. (On Wednesday, Prince Sihanouk's office in Bangkok issued a report saying that 10,000 Vietnamese troops had been sent to northwestern Cambodia by air, half of them to Battambang and the others to Siem Reap Province. "These regular forces are the new backbone of the Hun Sen army," it said). Mr. Hun Sen is prime minister of the Phnom Penh government.

"One good thing about reports on a Vietnamese military presence is that they scare the Khmer Rouge," the ambassador, Mr. Ngo Dien, said. The reports come at a time when Cambodian Government forces have launched a counteroffensive to recapture areas near the border with Thailand seized by the guerrillas at the end

of last year. According to Mr. Khamidulin, "Some Vietnamese military technicians are assigned to organise coordination of military actions and assist the general staff." But he said "there was no doubt" that Vietnam's troops had withdrawn from Cambodia. "The remaining technicians are not a factor (in the Cambodian issue). No matter how many there are, be it one hundred or a thousand, this does not affect the broader picture," he said.

Khieu Kanharith, the editor of the magazine KAMPU-CHEA (Cambodia) and a close associate to Mr. Hun Sen, also said that there were Vietnamese "military technicians" in Cambodia, but insisted that no Hanoi military advisors were attached to Phnom Penh's combat units. He said the technicians were involved in maintenance work for mechanised units of the Phnom Penh government forces and in military training.

Nhim Vanda Visits Border Cadres, Combatants

BK1702110290 Phnom Penh Domestic Service
in Cambodian 1200 GMT 16 Feb 90

[Text] In early February, Comrade Lieutenant General Nhim Vanda, member of the party Central Committee, deputy defense minister, and chief of the General Logistics Department, visited cadres and combatants of our Cambodian People's Armed forces on defense duty on battlefields along the border of Cambodia. During his five-day stay in Siem Reap-Oddar Meanchey Province, Comrade Lt. Gen. Nhim Vanda visited Sre Noy and (Tumnup Sbek Sat) in Varin District where he met and had intimate talks with local cadres, combatants, policemen, and militiamen. Comrade Lt. Gen. Nhim Vanda also visited cadres, combatants, policemen, inhabitants, and monks in Banteay Srei, Puok, Angkor Chum, and Varin Districts.

Everywhere he went, Comrade Lt. Gen. Nhim Vanda commended and highly valued the heroic deeds of the armed forces of all categories in Siem Reap-Oddar Meanchey Province which have won victories on all battlefields in frustrating the enemies' adventurous activities and perfidious maneuvers, inflicting heavy defeats on them in Varin District and at Sre Noy in particular. The comrade also informed them of the general situation inside the country and in a number of provinces along the Cambodian-Thai border, particularly Banteay Meanchey Province which made gains in the fight against the enemies.

Comrade Lt. Gen. Nhim Vanda stressed the need to provide our cadres and combatants with political and ideological education and the tasks to build the armed forces, strengthen our combat superiority on the battlefields along the border and inside the country, attack and smash as many enemies as possible, and cut off and sweep up the enemies' strategic passes, their hide-outs, and their war means. The comrade advised all cadres, combatants, and militiamen to enhance vigilance in defending their localities, launch more vigorous sweep operations against the enemies in order to provide

security for the people, and carry on their offensive against the enemies with a sense of self-responsibility.

People in Koh Kong Said Angry With Chea Sim

BK2502030990 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Feb 90

[Summary] Chea Sim recently traveled to Koh Kong Province. Chea Sim was very worried about his security during the trip because people, low level civil servants, and Cambodian soldiers and militiamen in Koh Kong Province were, and still are, angry. This is why many Vietnamese and puppet soldiers, armed with artillery pieces and modern small weapons, accompanied puppet Chea Sim during his trip. Puppet Chea Sim was greatly worried about possible attacks both from the Cambodian national resistance forces and the people, state authorities officials, and Cambodian soldiers and militiamen who oppose him. When puppet Chea Sim arrived in Dang Tong township in Koh Kong, no one came to greet this Vietnamese puppet and lackey. People said neither Chea Sim nor the Vietnamese are doing anything to assist people in their daily life and complained about sky-high commodity prices and devaluation of the riel currency.

Indonesia

Australia's Evans, Suharto on Phone Pact, Ties

BK2802110590 Jakarta ANTARA in English 1020 GMT 28 Feb 90

[Text] Jakarta, Feb 28 (OANA/ANTARA)—Australia is relieved by President Suharto's Feb 26 decision to reopen the tender for the Indonesia Digital Telephone System (STD1) II project because the Australian company involved can bid again for it, Australian Foreign and Trade Minister Gareth Evans said.

He gave the comment to reporters after paying a courtesy call on President Suharto at Bina Graha Wednesday [28 February]. The company Evans referred to was Ericsson.

President Suharto decided to reopen the tender because not one of the five companies bidding for it had really met all the conditions required of the 300 million U.S. dollar-project. The five bidders are Ericsson, Alcatel of France, AT&T of the United States, as well as NEC and Fujitsu, both of Japan. The new tender will be opened in the near future.

Australia appreciates the decision and hopes that Ericsson would be invited again to bid, Evans, who was accompanied by Foreign Minister Ali Alatas said. He said other bilateral matters he discussed with President Suharto were the implementation of the cooperation agreement signed between the two nations on Timor Gap which is believed to contain a rich deposit of oil and Australian assistance to Indonesia.

Up till now 6,500 Indonesians are studying in Australia on Australian scholarships. Two years ago, he said, there were 4,000 new scholarship recipients.

"We also discussed a number of special problems such as fishing and the Uruguay round of multilateral trade negotiations," Evans said. He described Australia-Indonesia relations as having improved from the difficult times of the past.

Evans and President Suharto also took up the development of international efforts to settle the Cambodian crisis, particularly the progress of the current (Feb 26-28) informal meeting on Cambodia in the Indonesian capital.

President Suharto expressed his appreciation for Australia's role in helping solve the crisis, Evans said. Australia's proposal that the United Nations should have a part in the Cambodian settlement is the central idea discussed in the informal meeting.

Asked about his expectation concerning the meeting, Evans declined to comment much. He only said that whatever accord may be reached by the participants, he was sure it will be an important compromise that would bring the conflicting parties back to the negotiation table in Paris.

Official Proposes Solution for Phone System Bid

BK2802111990 Jakarta ANTARA in English 1009 GMT 28 Feb 90

[Text] Jakarta, Feb 28 (ANTARA-ECOANA)—Establishing a consortium is the best alternative for the solution of problems concerning the tender of the digital telephone exchange, STDI-II, director of the Indonesian centre of business data Christianto Wibisono said here Tuesday [27 February].

Commenting on the drop of tender worth 300 million U.S. dollars by President Suharto which had been previously followed by two multinational telecommunication companies namely NEC of Japan and AT&T of the United States, Wibisono said that the consortium could also prevent pressures. The president was quoted by Minister/State Secretary Mardiono as having declared a limited new bidding.

The tender was at the beginning bid by 11 foreign telecommunication companies. [sentence as received] The number then reduced to five comprising Alcatel (France), Ericsson (Sweden), Toyo Menka/Fujitsu (Japan), AT&T (United States) and NEC (Japan). Wibisono said that it was natural if a foreign country takes action that can be considered pressures.

"Japan certainly wants its company to win with a consideration that it has given much aid to Indonesia," he said. He believed that the government of Japan will keep on fighting hard to win the tender. Moreover, the

country is currently dominant in its assistance through the Inter Governmental Group on Indonesia (IGGI), he added.

The process of deciding winner of the tender started last year was coloured by U.S. President Bush's letter to President Suharto as it was reported by THE WASHINGTON POST daily. The government announcement on the tender, according to Wibisono, was to avoid allegation that winners had come up because of pressures. He further said that both AT&T and NEC have reliable technology in spite of their drawbacks and superiority.

"Technologies of the two companies can be combined and become complementary to each other," he said.

Minister on Need To Build Nuclear Plants Quickly

BK2802094190 Jakarta Domestic Service in Indonesian
0500 GMT 28 Feb 90

[Text] Indonesia cannot further delay the construction of its nuclear power plant. It should be completed by the year 2005 so as to meet its energy demands. Speaking in Jakarta yesterday, Mining and Energy Minister Ginanjar Kartasasmita said it takes about 10 to 15 years to build a nuclear power plant. Therefore, Indonesia must now be ready to start constructing the plant.

He noted that by the year 2010 there should be two nuclear plants in Indonesia, each with the capacity of 650 megawatts.

Laos

Kaysone Phomvihane Delivers Speech to SPA

BK2302073590 Vientiane Domestic Service in Lao
0000 GMT 19 Feb 90

[Text] of speech by Kaysone Phomvihane, general secretary of the Lao People's Democratic Republic and chairman of the Council of Ministers of the Lao People's Democratic Republic, delivered at the second Supreme People's Assembly's third plenary session held in Vientiane on 9 February—recorded]

[Text] Respected Presidium, respected members of the Supreme People's Assembly [SPA]:

On behalf of the party Central Committee and the Council of Ministers, I would like to extend best wishes of the New Year to you, SPA representatives, and intimate greetings to all of our multiethnic compatriots, cadres, combatants, and state employees. [applause] We are entering the year 1990 with a sense of elation. At the same time, we are still burdened with certain new great responsibilities. We are very proud to see that in the past year, even though the world and regional situations were developing in a confusing manner and numerous difficulties prevailed in our country, our young republic remained stable and continued to march firmly forward. The restructuring policy and plans of our party and state

have begun to be integrated into our country's socioeconomic life and have been supported wholeheartedly by the multiethnic Lao people, thus bringing about important initial successes to many fields.

For example, the party and state's new policy on the economic structure and application of the new economic management mechanism has begun to take effect in motivating all economic sectors to switch from the management mechanisms of state financing and bureaucratic centralism to those of business accounting, which maintain the right to mastership in finance work and planning, promote legitimate and free circulation of goods, pursue the one-price concept, allow for promulgation of the investment law, and so forth. This development has served to promote the production and circulation of goods, to open more markets in the country, and to broaden economic relations with foreign countries. New factors and outstanding models in business production have emerged in many localities throughout the country thanks to the dedication and perseverance of our farmer compatriots and the application of a new mechanism—the contractual mechanism in agricultural work. Due to a favorable climate, paddy production in 1989 reached 1.4 million tonnes, thus allowing each person to receive an average 350 kilos of rice for consumption.

In addition, the production of bean, corn, sesame, cotton, tobacco, coffee, and other crops was also very good as in the past. Considerable positive changes have also occurred in the forestry, industry, communications, transport, postal, construction, and internal and external trading sectors. The cultural, education, and public health sectors have also received attention from the party and state and support and assistance from the people. Generally speaking, the people's livelihood—both in the material and spiritual domains—has been peaceful and normal and has gradually improved.

Another satisfactory achievement has been scored in implementation of Resolution No. 51 of the party Central Committee Political Bureau on turning to the grass roots in a vigorous manner. As a result, the situation in all localities throughout the country has clearly changed. Our multiethnic people are closely united and take the initiative in engaging in physical labor to earn their living. They have energetically engaged in business production and exercised their democratic rights by electing their representatives to the organizations of people's councils. The administrative committees and mass organizations at various levels have managed to securely safeguard and build their respective localities. Having participated in these activities, we have become more successful in upgrading the level of mass-oriented viewpoints and capabilities in various fields of all cadres and party members. As a result, relations between the party, state, and people have become firmer.

In the national defense and public security maintenance field—though encountering numerous difficulties—thanks to the party and state line of holding aloft

national defense and public security maintenance work among all the masses and the strong participation of the multiethnic Lao people in this work, our armed forces and public security forces have managed time and again to smash the subversive designs and activities perpetrated by the enemy. They have securely defended the territory and sovereignty of our country and safeguarded our multiethnic people's physical labor in building and developing our country in peace. We have put many enemy armed units and spies out of action, dismantled some of their underground foundations, and annihilated and captured an entire unit of exiled Vietnamese reactionaries who infiltrated into Lao territory from Thailand on their way to Vietnam to create disturbances there. The unit was led by Tran Quang Do. It was the fourth unit of exiled Vietnamese reactionaries to be completely annihilated in Laos in the recent past.

Another outstanding achievement has been scored in international relations and foreign affairs work. In this area, implementation of the foreign policy of peace, independence, self-mastery, and friendship by our party and state has facilitated the tasks of national defense and construction and expanding and heightening our country's prestige and status in the international arena. It can be said that the official friendship visit to our country by the high-level delegation of the Communist Party of Vietnam led by Comrade General Secretary Nguyen Van Linh and Comrade Do Muoi, chairman of the SRV Council of Ministers, was brilliantly successful. Both sides have reaffirmed that efforts will be made to heighten the spirit of militant solidarity, special friendly relations, and all-around cooperation between our two parties, states, and peoples on the basis of the spirit of restructuring and mutual interests and brotherly assistance, by attaching importance to the quality and efficiency of such cooperation. We have done our utmost to support the fraternal Cambodian people's just cause and actively contribute to the endeavors to solve the Cambodian problem through political means that are fair, rational, and compatible with the present realities in Cambodia—on the basis of respect for the right to self-determination of the Cambodian people and prevention of the Pol Pot genocidal clique from returning to power in Cambodia.

The visit to the PRC of our government's delegation has brought about the normalization of relations between our party and state and the PRC's communist party and government, increased the long-existing friendly ties between the Lao and Chinese peoples, and opened the era beneficial to relations and cooperation in many fields on the basis of mutual interests between our country and the socialist PRC. The visits to Japan and the French Republic by our government's delegation has also enabled these countries to better understand the socioeconomic conditions and our policy of renovation, thus winning their support and assistance for the development of our country's economy.

We have also grasped more external assistance and loans compared with 1988. In just over one year following the

promulgation of the investment law, many foreign companies have applied for permits to invest in more than 100 projects in Laos. Of these, 80 projects worth over \$70 million have been approved. We would like to express our sincere thanks to the fraternal and friendly countries and all international organizations for rendering effective assistance to the cause of our national defense and national construction. Such important achievements and successes in these fields have testified that the line and tasks of restructuring initiated by our party and state are correct, constructive, timely, and compatible with our country's socioeconomic conditions, the objective economic rule, and the aspiration and interest of our people as well as the epochal trend. These successes are tightly linked with the achievements of the tasks of party construction, training and educating the rank and file of cadres, effecting new changes in the party's leadership, and intensifying unity and solidarity within the party coupled with the genuine spirit of patriotism of our people. This has manifested unity in terms of the line of thinking and deeds and adherence to the principles and attitudes of our party and state in tasks of restructuring.

On behalf of the party Central Committee and Council of Ministers, I therefore wholeheartedly acclaim the multiethnic compatriots, fraternal workers, farmers, intellectuals, businessmen, scholars, and Buddhist monks and novices. I acclaim senior cadres who have attentively educated and trained younger generations to preserve the fine traditions of our country and revolution and have mobilized our children to safeguard our fine national culture and customs and to safeguard and further expand and strengthen the fruits of our revolution. I express my special commendation for endeavors of our youths in contributing to national causes, and hope that they will try to train and refine themselves so that they can be honorable owners of the country in the future. [applause]

On this occasion, I extend my warm regards and New Year greetings to Lao people living in foreign countries. Although they are far away from their homeland, they continue to preserve their fine national traditions and think of their country. They must keep in mind that the fraternal Lao people in the country always welcome them to return home to earn their living in line with the country's law and honorably contribute to the construction and development of our beloved country. [applause] I acclaim alien residents who have been earning their living in Laos for their respect for the Lao people's traditions and customs and policies and laws of the LPDR [Lao People's Democratic Republic], and joint efforts they made together with the Lao people in the construction of the economy, culture, and a new happy life. [applause]

Respected personages: Even though we are proud of the achievements and victories we have scored, we must realize that the present situation is still plagued with numerous difficulties and obstacles. We still face certain shortcomings and remaining problems, as well as many

mistakes at various levels. The restructuring we have effected is not yet comprehensive and firm. In the spirit of finding the truth, the recently convened ninth plenary session of the LPRP [Lao People's Revolutionary Party] Central Committee thoroughly and scientifically analyzed the internal situation in 1989 and reaffirmed that the path of restructuring pursued by our party and state is correct, innovative, and timely.

Under the leadership of the LPRP Central Committee and with the perseverance exerted by our entire party and people, we have taken our revolution another step further. Not only have our party and people assessed our country in such a manner, but our friends and foreign visitors who have come back to visit after long periods of time away have also acclaimed the restructuring currently undertaken by our country. Nonetheless, with a sense of high responsibility and in the spirit of self-criticism and mutual criticism, the LPRP Central Committee has assessed that the achievements we have scored are not commensurate with the efforts exerted by the people, the potential of our country, and the assistance we have received from the international community and have not yet met the legitimate needs of our multiethnic people. The ninth Central Committee plenary session analyzed the objective and subjective causes of this situation. What are these subjective causes? They are as follows:

We started with a very backward economy characterized mainly by subsistence and natural elements. Everyone knows that our country is classified by the United Nations as one of the poorest countries in the world. Our material and technical foundations and structures are too weak and immature. We still lack skilled technicians and workers and management, supervisory, and control cadres. The meteorological conditions and climate in the past few years have not been stable. The potential of our country is enormous, but we still lack favorable conditions to supplement it. Our current production is insufficient to meet our needs, and revenues are not sufficient to meet expenditures. Import volume is larger than export, inflation is spiraling upward, and the value of the kip is depreciating.

Nevertheless, another cause that we must clearly understand and acknowledge is that the imperialist and reactionary forces, certain opportunists, and bad elements have stepped up their subversive attempts against our country in an even more open and notorious manner. They have tried in every way to exploit our weak points. Seizing the opportunity of the current crisis in East Europe, these hostile forces have increased their psychological warfare tactics to create internal rifts among our people and divisions between our people and our friends—aimed at weakening our stance and effecting a peaceful change to create disturbances and instigate a popular uprising to topple our party. Thus, it is necessary that we constantly and resolutely maintain a high sense of vigilance.

As for the objective causes, the ninth Central Committee plenary session stressed that the primary causes lie in the leadership, supervisory, control, and management elements. For example, organizing the implementation of plans remains too weak. Many weak points and shortcomings remain that need to be remedied and rectified. In addition, the plenum also strictly leveled criticism against a number of cadres and party members who have been strongly bureaucratic-minded, have distanced themselves from the masses, and lack necessary qualifications, thereby creating adverse effects on the party's influence and the masses' faith in the party. Our party is resolved to further enhance all good points and to rectify and do away with all shortcomings and mistakes. We are determined to train and upgrade ourselves to build and strengthen the party. We must bolster the party leadership to meet the requirements of the difficult and great task of restructuring. We must further strengthen internal unity; establish a close relationship with the people; promote the faith of the masses in the party; and resolve to take the restructuring forward in a more comprehensive, vigorous, and steady manner in order to translate into reality the two strategic tasks outlined by the Fourth LPRP Congress.

On this occasion, I would like to reiterate certain fundamental issues to allow us to exchange views and to conduct a dialogue in a democratic manner, aimed at reaching a profound unification in our thinking. Only on such a basis, can we help the people of all strata to understand us.

What is the first lesson? To ensure victories for the cause of restructuring, first of all, we must genuinely uphold the spirit of patriotism and clearly identify friends and foes. The oldest issue, which has always had an urgent nature, is our understanding of the true nature of the imperialists. We do not know whether or not it is true that the imperialists have now become well-behaved and better mannered because of the development of the scientific and technological revolution and the broadening of international relations and cooperation. But do they now strictly adhere to the principle of peaceful coexistence? The truth is that they have never abandoned their schemes to try to destroy any movements struggling for national independence and socialism and to undermine and destroy the revolutionary movements. They have simply changed their tone to suit recent developments. Nonetheless, their dark and notorious nature has never changed.

Since the establishment of the LPDR, our party, state, and people have consistently aspired to peacefully coexist with other countries with different political systems by firmly pursuing the policy of peace, friendship, and cooperation toward other countries in this region and all over the world. However, it can be said that up to now, not even for a single day, have the imperialists and reactionaries ever allowed us to build the country in peace and tranquility. After the end of the notorious and destructive decades-long war, they have still continued to employ numerous subversive schemes and tricks to

instigate rebellious uprising to overthrow our new regime and to infiltrate and nibble at our territory, thereby encroaching upon the independence, sovereignty, and territorial integrity of our country.

We, the entire Lao people, clearly know that our combatants and people still continue to shed blood in defending the country and the new regime. In the recent past, while the imperialists were clamoring that the cold war had come to an end, they were also setting up a very powerful television station called "Jose Marti" to transmit subversive news material against Cuba, Nicaragua, and other Latin American countries to destroy the revolutions in those countries. Moreover, they have also used their air and naval forces to directly and openly interfere in the internal affairs of Panama which is a sovereign country and to arrest the president [as heard] of that country to stand trial for punishment in the United States on the charge that he had failed to comply with their orders. Therefore, to score all-around victories in the restructuring in our country, first of all, we must consistently uphold the genuine spirit of patriotism, constantly maintain a high sense of vigilance against subversive schemes of the enemy, and strive to defend the country, resolutely preventing anyone from aggressing against its independence, sovereignty, and territorial integrity. We must keep in mind the teaching of the great President Ho Chi Minh, which says that there is nothing more sacred than national independence and freedom. This is the first lesson we have learned.

What is the second lesson? The second lesson is that we must strengthen our national unity, and harmony. National unity and harmony is a fine tradition and a special, important feature of our national revolution. It is also a force which has decided victories for the national-democratic revolution in the past and which promotes the current cause of restructuring in our country. The imperialists and reactionary forces have tried in every way to create rifts and to instigate feuds among the multiethnic people, hoping to weaken and compel our forces to stoop to their demands. At every stage of the revolution, our party and state have firmly adhered to the principle of maintaining our national unity and harmony, regarding the people of various tribal groups as brothers living under the same roof and all Lao people living both at home and abroad as compatriots of the same fatherland. The strength of our national unity and harmony is the most important factor enabling our multiethnic people to genuinely defend the country and to build a happy and plentiful life with a sense of equality among themselves. That is why it is now more important than ever that we strive to further strengthen and maintain national unity and harmony as if it were the apple of our eyes. This is the second lesson we have learned.

The third lesson is as follows: One of the most decisive issues is that we must strive to consolidate and build the people's administrations at all levels and to build all mass organizations into strong bodies. Particularly, we must restructure and increase the party leadership to

ensure victories for the cause of restructuring in our country. The people's administrations and mass organizations at various levels act as the tools, on the one hand, in enforcing the right to self-mastery for the people of all strata and, on the other hand, in serving their material and spiritual life. Under current circumstances, it is even more urgent that we consolidate and build the people's administrations and mass organizations at all levels with a view to purifying, strengthening, and making them more effective, and bringing genuine new changes to them so as to restrict and harness them from further exercising bureaucratic power against the people, and to encourage them to closely associate with the people and to translate into reality the party's policy and plans in promoting democracy in all spheres of our country's social life.

To bring about victories in restructuring, the most important thing is to restructure and strengthen the party leadership. The party must pursue a correct line and maintain unity as well as a close link with the masses. Party members must act as model functionaries for the masses in all spheres of work, in working with physical labor and in leading a model lifestyle. The party must pay attention to raising the people's level of political awareness and appreciation and to upgrading and building their strength by following the motto which says: the party must consult with the people and allow them to participate in and to inspect all the tasks it has carried out. The party must drastically fight against the remaining vestige of bureaucratic power maintained by certain cadres and party members for such power will only be subsequently harmful to the party.

The Lao People's Revolutionary Party was born amidst the national liberation struggle movement which was carried out by our multiethnic people who have combined a sense of patriotism with Marxism-Leninism. Since its founding, the LPRP has consistently drawn wholehearted support from and been attentively built and safeguarded by our multiethnic people—many of whom have made sacrifices to defend our cadres and party members. Presently, we come to see that a considerable number of our cadres and party members have failed to maintain and preserve their revolutionary qualifications. They lack a sense of enthusiasm to mobilize and to listen to the views of the multiethnic masses in contributing to fulfilling the common tasks of the country. A sense of bureaucratic inclination and of alienating oneself from the people still remains heavily ingrained in their habit. Still more serious, many of them have become corrupt and have intimidated and harassed the people, thereby creating adverse effects on the tradition of unity between the party and the people.

We can see that even though the situation has developed along such a course, our multiethnic people still continue to maintain their greatest aspiration, that is to express their concern and affection toward and to further build the party. Our people have come to appreciate the principled law which stipulates that if we want the revolution to be successful, we must carefully build our

party into a genuinely strong entity. This is the third lesson we have learned from the various movements in our country.

What is the fourth lesson? The fourth lesson we have learned is that we must, to the best of our ability, contribute to promoting international solidarity by steadfastly combining the strength of our country and that of the epoch. This lesson has become an excellent tradition in our revolution. In the past, we managed to successfully solicit and obtain tremendous support and assistance from many fraternal and friendly countries throughout the world, thus creating favorable conditions for our revolution to move forward. In the meantime, we have also made countless noble contributions to the revolutionary cause in this region and in the world.

At present, the imperialists and reactionary forces are employing a notorious scheme to divide the revolutionary forces and are intensifying efforts to undermine the revolution and to encircle and isolate the socialist countries throughout the world. It is now more urgent than ever that we must maintain and further strengthen the international solidarity. One important objective of the cause of restructuring in our country is to make international relations, solidarity, and cooperation more effective and the alliance among the fraternal countries in this region stronger than ever for the interest of each individual country and for the cohesion of the regional community. In addition, an important requirement in the cause of restructuring in our country is to create more friends and to reduce adversaries.

Respected personages, the policy of restructuring pursued by our party and state is a complicated and protracted responsibility. Our party's line of restructuring is absolutely correct. The translation of this line, however, into a detailed plan to encompass all spheres of social life and the convincing of various services at all levels to appreciate and carry it out are still faced with numerous difficulties. Therefore, it is most urgent that the entire party, state, and people further enhance and hold aloft our strength, capabilities, and initiative to the fullest extent and resolutely take the cause of restructuring forward to score new victories.

Distinguished SPA representatives, the ninth Central Committee plenary session, which was convened recently, spelled out the orientation of the overall tasks in 1990 as follows: further enhance the tradition of patriotism and the sense of revolutionary vigilance; consolidate the strength of unity and harmony among the entire multiethnic Lao people throughout the country; firmly adhere to the cause of restructuring on the basis of the six revolutionary principles outlined by our party; persevere in fulfilling the fundamental tasks outlined by the Fourth LPRP Congress; uphold and develop democracy; create unity at the highest levels and

close relations between the party and the people; consolidate the faith and ardor among all cadres, party members, and people; be determined to overcome all difficulties and trials in the new situation; and firmly march forward to score achievements to welcome the fifth party congress.

To fruitfully fulfill the overall orientation and tasks, we must concentrate all efforts on fulfilling the following fundamental duties for 1990.

1. We must vigorously boost production, for example by transforming agricultural and forestry production into goods in various localities where favorable conditions prevail; develop, provide services to, and adopt measures to solve the difficulties prevailing in goods distribution and circulation, finance, banking, and trading sectors; develop and strengthen economic relations with foreign countries in an effective manner; continue to upgrade the new economic management mechanisms so as to switch totally to business accounting; and increase the efficiency of business production and develop it to meet the people's needs.

2. We must link the policy on business activities with the policy on social activities; pay attention to resolving certain difficulties in the material and cultural life of the multiethnic people, cadres, state employees in the administrative and technical services, soldiers, policemen, pensioners, families of those who have sacrificed their lives for the country, persons who have become disabled while carrying out the revolution; check and restrict acts of discouragement prevailing in our society; and upgrade and raise the quality of education, public health, culture, and information.

3. We must step up and consolidate national defense and public security maintenance among the masses; pay more attention to the work of regional forces and public security forces; closely coordinate socioeconomic development with national defense and public security maintenance; be ready to thwart all designs employed by enemies and bad elements to prevent peaceful changes such as to carry out sabotage and subversive acts, and to instigate rebellious uprising to topple the new regime. This is to safeguard the fruits of the revolution and the labor of the people in building and developing the country in peace.

4. We must vigorously direct all movements toward the grass roots, mountainous regions, and countryside; educate and mobilize the people to enhance the spirit of patriotism and right to mastership; hold aloft and promote democracy in the entire society; consolidate and strengthen unity among multiethnic people; consolidate the popular democratic regime from the grass-roots level upwards; and build each village and the economic and cultural sector into the fortress of the popular democratic regime.

5. The consolidation and upgrading of the organizational mechanism must be basically completed and perfected. New changes must be introduced to modify the working

patterns and plans of various levels, services as well as the activities of mass organizations. The value of front work must be consolidated and raised. Efforts must be made to oppose bureaucratic abuse, corruption, embezzlement, and accepting bribes as well as depraved acts for vested interest committed by cadres and state employees at all levels. Persons found committing misdeeds or violating laws and regulations of the state and administration must be promptly punished.

6. We must broaden relations and cooperation with foreign countries; strengthen our special solidarity and all-round cooperation with Vietnam and Cambodia, all-around cooperation with the Soviet Union, and relations and cooperation with the PRC and other fraternal and friendly countries throughout the world; and try to obtain all favorable conditions from the international community for fulfilling the tasks of national defense and construction.

To translate into reality these fundamental duties, we must pay attention to fulfilling certain urgent tasks in 1990. The first is to solve certain socioeconomic problems. First of all, we must vigorously promote production and improve the material and cultural life of the people. To be more specific, we still regard agriculture as the No. 1 battlefront, in which material, technical capital, and cadres must be mobilized to carry out comprehensive agricultural production, to expand intensive agriculture, and to apply new mechanisms in agriculture in a general and extensive manner. Old-type cooperatives must be abolished. Application of the contractual concept in selling products must be organized. The use of labor and land must be proportionally balanced. Assistance must be given to each farming family to map out its own plan. Services must be provided, such as in the technical field and in the acquisition of crop seeds and fertilizer, with the participation of all business sectors. Production must be linked to marketing and processing. The purchasing of products from farmers must be based on prevailing realistic prices agreed upon without any coercion. Livestock raising must be further promoted by emphasizing the rearing of animals by people. The planting of starchy crops and short-term and long-term industrial trees must be encouraged. The existing irrigation system must be improved and utilized to the fullest extent. Mechanization of agricultural production must be gradually carried out, especially by using small machines. A law on land ownership must be promulgated to define the rights of ownership and land use in accordance with the target set forth through intensive experiments.

In forestry, efforts must be made to ensure effective implementation of the resolution adopted at the first national forestry conference. The forestry management levels must be divided in detail. Decrees of the Council of Ministers and other regulations on the management,

conservation, and exploitation of forests must be effectively enforced under close supervision. The management for processing and exporting timber, wood products, and forest products must be set up to create revenue sources for the budget.

In industry and handicrafts, we must continue reorganizing and renovating factories and plants. We must reactivate and consolidate state-run factories and plants to increase their production efficiency. We must find ways to put business enterprises which have low or no productivity under different forms of ownership, for example by leasing them to individuals or to a group or by selling them entirely to interested parties. Domestic production must be promoted, for example light industry and handicrafts for local consumption and for export. We must study and map out projects to produce goods for these aims. Efforts must be made to step up mining and experimental mining whenever favorable conditions prevail.

In the communication, transport, postal, and construction sector, we must continue implementing projects in elevating, repairing, and constructing many important roads by adhering to the motto which says that the state and people must cooperate in carrying out work, for example in safeguarding, maintaining, repairing, and expanding the communication network into the countryside. The postal network must be expanded and its quality improved. As for the building of foundations, efforts should be concentrated on carrying out only urgent and long-term projects which best serve the production and circulation of goods and the life of the people. Unnecessary and unimportant projects can be held. Circulation and distribution is a difficult and complicated task and directly affects the economy and the well-being of the people. Therefore, we must take good care of it and resolve its problems. We must continue free and legitimate circulation of goods because it is in keeping with the characteristics of a multifaceted economic structure and the aspirations of the people of all strata. We must direct this work to serve business, linking domestic markets with foreign markets, stabilizing prices of goods, and maintaining normalcy in the living conditions of the people. To carry out goods circulation and distribution effectively, we must also use and manage the business activities of other sectors and genuinely put finance, banking, and trading under new operations.

We must have correct ways of collecting revenue to increase domestic income for the budget. We must effectively solicit and spend capital acquired from foreign sources, mobilize funds from the savings of the people, strictly implement the policy of thrift, and make it known that this policy is one of the most important policies of the country. We must consolidate and upgrade economic management. Having applied new mechanisms for a few years, we can now clearly see and appreciate their value. Therefore, we must continue promoting, utilizing, and upgrading them more thoroughly and skillfully. Consolidating and upgrading the

new mechanism means using the goods-monetary relations in all economic sectors in a realistic and lasting manner in conformity with the policy on the economic structure and the special socioeconomic characteristics of our country. In applying the new mechanisms in our economy, the state must take charge of the administrative role in providing conveniences and in supervising the economy. It must be primarily in control of the policy and the macro aspects of the economy. The state must be in control of the strategically important finance, banking, and wholesale sectors. The rest will be put under the control of other economic sectors.

We must also create a basic and comprehensive legal system on the management of the macro economy as a prop for controlling business production and a tool for appropriately distributing interests among the strata, the state, collectives, and individuals in order to maintain justice and fairness. The consolidating and upgrading of the new management mechanisms require that the levels of management be clearly defined and bona fide persons assigned to take direct charge of these levels.

We must consolidate, upgrade, and train management cadres to think along the new line, understand marketing rules and goods-monetary relations. At the same time, they must hold aloft a sense of mastership and increase their capability to maintain quality control over all business units.

Education, culture, and social work are considered tasks of special significance. Through our practices and experiences and those of many countries, we have come to understand that if we fail to pay attention to education, culture, and social work, we will not be able to lead the country forward. We reiterate that the policy to push educational work ahead as adopted by our party is correct. We must dare to invest in people, because this investment will bring great profits to us in the future. We must continue to bring into full play the education reform program, adopt concrete plans on developing and raising the quality of education, improve the schooling system, set up and improve curricula and teaching programs, draw and effectively use international assistance and loans by coordinating them with domestic capital and people's contributions in building or repairing schools, hospitals, cultural centers, improving the living conditions of teachers, doctors, and medical cadres and holding aloft their honor and prestige.

The social welfare services and administrations at all levels and mass organizations in all places must arrange to help care for the disabled and the families of those who died for the nation, pension-earning retirees, and those who meritoriously served the revolution. The propaganda, information, and press branches must broaden their roles and responsibilities by serving as a sharp tool of the party and the state. They must timely react against propaganda that distort facts and slanders the leadership and the new system.

Regarding national defense and public security maintenance, we must clearly understand that the imperialists, reactionaries, and other hostile forces are striving, more positively, to overthrow our new system peacefully. Therefore, now more than ever, our party, army, and people must heighten vigilance by being fearless. They must also clearly understand the enemies' schemes and crush all their efforts to rebel and subvert. They must motivate the masses to help maintain social order and public security in localities, first and foremost in various district towns. They must also build and consolidate the armed forces and public security forces, and settle economic and production problems and problems of daily life of those at the grass roots.

The third task is to profoundly, thoroughly and systematically encourage mass movements to set up, consolidate, and strengthen popular democracy from the grass-roots level upwards. In view of the new situation, domestically and in the world, the task of turning the cadres and leadership roles to the grassroots has become an unprecedentedly urgent task. In continuing to implement the 51st resolution of the Political Bureau, in 1990 we must translate into reality our experience into broadening development at the grass roots and encouraging it in the provinces. We must combine our emphasis on the grass roots with boosting production in accordance with the new economic structure. In this regard, we must consider agricultural production as top priority. We must promote and expand the implementation of democracy among the people, enable them to take part in discussing various tasks as well as in building the party and consolidating the administration at localities and grass-roots levels. By turning to the grass roots, we must consolidate and enhance, in practice, the strength of the worker-peasant-student-intellectual alliance. At the grass roots, we must regard people as the main factor and grasp their thinking, spirit, questions, and aspirations to help them settle problems. Various mass organizations must turn all their activities to the grass roots, urgently change their work procedures to conform to overall changes and to the new tasks of the revolution.

Attention must be paid in consolidating front and nationalities work. In this regard, front and nationalities organizations must encourage, persuade, and organize retired, senior revolutionary cadres, clergymen, tribal chiefs, students, intellectuals, and personages to take part in discussing various tasks, motivate children to unite and join in building the country, and encourage youths to fulfill the obligations of serving the country.

The fourth task is to step up the creation of a legal system and to educate our people to become law-abiding citizens. At the inaugural session of the SPA, I stressed that the fundamental duty of the SPA was to draft the constitution and the legal system for the state. Clearly understanding its responsibility and difficult task, the SPA has energetically cooperated with the services concerned in its preparations to construct the draft constitution. So far, it has already endorsed a number of laws.

This is praiseworthy, but the SPA must clearly understand that its fundamental duty in 1990 is still to write the draft constitution. In addition, it must coordinate with and encourage certain services concerned to draft a number of necessary socioeconomic laws to submit to the forthcoming SPA session for endorsement and to encourage and educate every citizen to develop a sense of strict law-abidance.

The fifth task is in international affairs. At a time when the international situation is profoundly, complicatedly, and rapidly changing, our party and state must firmly adhere to our foreign policy of peace, independence, friendship, non-alignment, and consistency, and must develop good relations with neighboring countries and all countries in the world regardless of differences in their political and social systems on the basis of the five principles of peaceful coexistence. We will strengthen our friendship, special solidarity, and all-around cooperation of mutual benefit with Vietnam and Cambodia and continue to make positive contributions to the settlement of the Cambodian problem in a fair and correct manner in conformity with the current reality in Cambodia, thereby turning Southeast Asia into a region of peace, stability, friendship, and cooperation. We will strengthen our relations of friendship* and all-around cooperation with the Soviet Union and our relations and cooperation with the PRC and other fraternal and friendly countries throughout the world. We will continue to broaden our economic relations with foreign countries and regard this effort as a lasting policy aimed at contributing to socioeconomic development in our country. We must urgently renovate our foreign economic relations mechanism and step up its management through various laws, regulations, and policies in a unified way. We must implement a number of detailed regulations and policies to attract and to create favorable conditions for foreign investors and businessmen. We must train and upgrade cadres, utilize and assign capable persons with experience in this field to carry out this work.

The sixth task is to step up ideological and cadre work. The final decisive factor in our endeavor to continue taking the restructuring forward and to enhance and safeguard the fruits of the revolution in the new period is people [words indistinct]. Therefore, we must pay special attention to training people to forge a spirit of patriotism and love the new regime, to have faith in the revolutionary ideals and the party leadership, to forge the spirit of unity and national concord, to have pride in the country and in the majestic revolutionary tradition of our party and people, to study the tradition of hard work, to develop a sense of creativeness in carrying out physical work, to seek progress in life, to follow an honest and pure lifestyle, to know how to preserve fine national traditions and customs, to develop a sense of respect for laws and regulations, to nurture a spirit of internationalism, to act as models in leadership, to develop a sense of responsibility, to maintain discipline, and to preserve the tradition of unity and unification.

We are opposed to an ambiguous line of thinking which lacks a class principle and the principle of failing to clearly identify friends and foes. We are opposed to the democratic line of thinking which allows for boundless freedom. We are opposed to conservatism and objectivism. We are opposed to the bureaucratic style of working, corruption, nepotism, privatism, narrow-mindedness, clannishness, and vacillation. We must hold aloft and develop democracy. The process of our party's restructuring is a process of holding aloft and developing democracy. As for us, democracy is both an objective and an impetus. Our democracy is a democracy for the people, of the people, and by the people. This is genuine democracy. Democracy must be practised from the lower to the higher levels. It must be further upheld and enhanced to be in the same level with our culture and the prevailing conditions within and the special socioeconomic characteristics of our country. Our democracy is a system of democratic centralism. This means that it is centralized on a democratic basis and is under the leadership of the centralism. Centralism without democracy will become bureaucratic centralism. In contrast, democracy which is not under the centralized leadership will eventually become boundless democracy and will undermine unification. Finally, it will become an anarchy.

The continuous implementation of democratic centralism can guarantee unity in determination and actions that can safeguard the organizational potentials and the party's lines and policies and strengthen the party's leadership. However, this does not mean that localities and grass roots must rigidly copy every action of the center.

The party calls for unity in dealing with the fundamental problems. Meanwhile, we must act prudently in accordance with the realities of each locality in implementing the party lines and policies. To enhance and promote democracy, we must enhance and promote the people's mastery and mobilize their constructive efforts to implement the party's policy. Democracy must lie within the legal boundary. Boundless democracy is anarchy. Democracy must be under the party's leadership. Also, we must continue to improve the organizational apparatus at all levels and pay more attention to personnel management. In the past, one of the causes of our inefficiency was the incomplete organization of the apparatus. We must continue to improve our organizational apparatus and expeditiously rearrange our cadres; promulgate rules and regulations of ministries and central agencies; prescribe coordination procedures and measures for the control and supervision of administrative and management undertakings both horizontally and vertically; and work out rules and regulations governing the organizations and movements of agencies at the provincial and district levels and economic production units so as to provide a foundation for localities to to implement the party's lines and policies. We must make full use of cadres of different calibers including the newly recruited, young, and senior ones to create a

unified force and further expand their experiences, intelligence, and abilities in order to fulfill the revolutionary duties of the new period. We must concentrate on personnel management in terms of political consciousness and technical knowledge, issue directives on personnel management, prevent and eliminate negative phenomena among cadres, implement the new salary system, find measures to help cadres improve the household economy and their living conditions. We must form a number of policies in screening cadres for further education, training, promotion, and other forms of rewards such as vacation leave and medical treatment while paying close attention to pensioners.

Your Excellencies, what I have mentioned above is my opinion concerning some problems which have been deliberated and resolved by the ninth plenary session of the fourth party central committee a few days ago. I propose that Supreme People's Assembly members to further discuss and thoroughly clarify these issues to establish the direction of their movement. The year 1990 is the last year of the second five-year state plan and the year of preparation for the third five-year plan. Our entire party, army, and masses are making efforts to score achievements in all areas to welcome the fifth congress of the Lao People's Revolutionary Party and the four major events, namely the 35th LPRP founding anniversary, 15th founding anniversary of the Lao People's Democratic Republic, President Ho Chi Minh's 100th birthday anniversary, and the 120th birthday anniversary of Great Vladimir Ilyich Lenin. The domestic situation is moving in a favorable direction, but the world is changing in the most confusing manner. More than ever before, we must enhance the solidarity in our entire party to implement solidarity and reconciliation among our multiethnic people; firmly adhere to Marxism-Leninism and the destination of socialism; enhance the spirit of self-reliance and self-created strength; boost our potential and intelligence, and sense of mastery of every citizen; forcefully promote production; improve step by step the multiethnic people's living, material and spiritual conditions; uphold self-vigilance; and firmly defend national independence and sovereignty and the new regime.

On behalf of the party central committee and Council of Ministers, I wish this SPA session brilliant success. I wish every deputy good health and magnificent achievement in carrying out the important duty entrusted by the country and people. Thank You. [applause]

Chamber of Commerce, Industry Established 27 Feb

*BK2802113190 Vientiane KPL in English 0937 GMT
28 Feb 90*

[Text] Vientiane, Feb. 28 (KPL)—Lao National Chamber of Commerce and Industry was declared established here yesterday, according to a decision of the Council of Ministers.

Its executive board is made up of 11 members and 5 advisors, with Mr. Khamma Phomkong as the president.

The chamber acts as a coordinator in the relations between business units and management concerned, among business undertakings and between Lao and foreign businessmen. This is designed to ensure the appropriate right and interest of all sides, the state, collective, and individuals and to put into effective practice the state liberalizing policy of economic relations in the interest of the overall national development.

Declaring the establishment of the chamber yesterday, Minister of Trade and Foreign Economic Relations Phao Bounnaphon said "the chamber of commerce is something new to Lao economic circle but not to the world one."

He also said that such an event was significant to the Lao national economic circle since it kept pace with the socioeconomic growth according to the new thinking and restructuring in the country.

Oil, Gas Survey Agreement With U.S. Company

*BK2402142490 Vientiane KPL in English 0858 GMT
24 Feb 90*

[Text] Vientiane, Feb 24 (OANA-KPL)—The Lao Ministry of Industry and Handicraft and the Lao Hun [name as received] Oil Company, a branch of the Dallas-based Hun [name as received] Oil Company in Texas of the USA, yesterday signed here an agreement on oil and gas survey and exploration.

The areas allocated for the purpose cover 26,000 square kilometres around Pakse City and in four Lao southern provinces.

The agreement specifies the two-year period of initial survey, possibly being extended by four terms of two years each. The Lao Hun Oil Company for the first two years is conducting a survey in terms of geology and physical geology and for the second phase is undertaking the physiometry at a 500 kilometres distance at least.

Signing the document, for the Lao Government, were Minister in charge of Industry and Handicraft Soulivong Dalavong, and for the American Hun Oil Company, its vice-president of the survey and exploration section, Jenning.

Phao Bounnaphon, minister of trade and foreign economic relations, witnessed the ceremony.

Philippines

Firm Says U.S. May Not Extend 'Promised' Aid

*BK0203055090 Manila PNA in English 0304 GMT
2 Mar 90*

[Text] Manila, March 2 (OANA/PNA)—The Philippines may not get the promised assistance from America due to the general reluctance of the US Congress to go the extra mile for the Philippines, a congressional lobbyist

for the Philippines said. Graeme Bannerman, a congressional liaison firm contracted by the government, said in its assessment report to the Philippine Embassy in Washington that some congressmen believed that corruption continued to impair the ability of the government to function and undermines the moral standing of the current Philippine leadership.

They also think that compared to the other recipients of US assistance, the Philippines did extremely well for fiscal year 1990. Only Pakistan and the Philippines received more in aid for this year compared to Turkey, Egypt, Israel, Greece, and Portugal. Though democracy had been restored in Pakistan, it received only a 15 million US dollars increase compared to the Philippines 200 million US dollars.

This, the US firm said, the Americans see as a generous 200 million US dollars increase and not a 136 million US dollars shortfall.

For 1990, the US Congress had appropriated security and economic assistance that was short by 96 million US dollars and money for the Multilateral Aid Initiative (MAI) short by 40 million US dollars. The overall foreign aid budget did not increase. Thus the \$200 million increase for the Philippines indicates that money was taken from other recipients of US assistance.

Further Reportage on Enrile Situation

Aquino Statement on Petition

*HK0103120590 Quezon City Sports Radio 738
in English 1100 GMT 1 Mar 90*

[Text] President Aquino today said the merits of Senator Enrile's petition for habeas corpus will be for the Supreme Court to resolve. This report from Tanny Rodriguez:

[Begin recording] [Rodriguez] In a press statement, the president said, however, if the Supreme Court rules that there can be in this case a charge for a complex crime of rebellion with murder, then Enrile would continue to be detained for nonbailable offense. Press Secretary Tomas Gomez III read the president's statement:

[Gomez] If the Supreme Court rules that there can be, in this case, a charge for a complex crime of rebellion with murder, then he will continue to be detained for a nonbailable offense. If the Supreme Court rules otherwise, then he may be allowed to post bail during the pendency of the case.

Regarding the other co-accused who are still not served the warrants of arrest, the authorities are continuing to locate them for the purpose of effecting the service of the warrants for their arrest.

[Rodriguez] Meanwhile, the chief executive reiterated her earlier statement that the matter of whether or not to allow Senator Enrile to take part in Senate deliberation should be addressed to the court, which has acquired

jurisdiction over his person upon his arrest and detention. The president was reacting to the resolution earlier passed by the Commission on Appointments or CA, asking the government to allow Enrile to participate in deliberations while rebellion charges against him are being heard by the court. [end recording]

Graft Case Not 'Harassment'

*HK0203111790 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 2 Mar 90*

[Text] President Aquino today explained that a new case filed against Senator Juan Ponce Enrile connected to the coconut levy fund was not intended to harass or intimidate Enrile. In a press statement, the president said that the case involving misuse of 95 million pesos from the coconut levy fund was a result of lengthy investigations and did not just spring up recently.

Press Secretary Tomas Gomez III read the president's statement:

[Begin Gomez recording in English] The charge filed against Senator Enrile in connection with the coconut levy fund has been the subject of investigation for quite some time already. It is the culmination of a long investigation, not a sudden act of harassment. These charges are purely legal processes, not occasions for media projections one way or the other. [end recording]

Earlier graft charges were made by the Presidential Commission on Good Government [PCGG] against 19 persons connected to the alleged misuse of the coconut levy fund. Charged were Senator Juan Ponce Enrile, Eduardo Cojuangco Jr, Congresswoman Maria Clara Lobregat and 16 others. The charges were presented by Solicitor General Francisco Chavez who said that Enrile and his co-accused are facing charges because of their roles as former members of the board of directors of the Philippine Coconut Authority, United Coconut Planters Bank and United Coconut Mills Incorporated [Unicom].

Chavez said Enrile and his co-accused used 4 million pesos from the coconut levy fund in their transactions with the Unicom.

Co-Accused Surrender Themselves

*HK0203062190 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 2 Mar 90*

[Text] A couple accused along with Senator Enrile of rebellion with murder has surrendered. The couple, Rebecca and Erlinda Panlilio, were reported to have gone into hiding after Enrile's arrest last Tuesday [27 February]. They gave themselves up last night to Lieutenant Colonel Robert Barbers, special assistant to National Bureau of Investigation director Alfredo Lim. Prior to their surrender, they sent Lim a letter stating their wish to surrender to face trial. The Panlilios also said they did not intend to run away from the arrest warrant issued against them adding that they believed in the country's judicial system.

Enrile To 'Run for President'

HK0203113990 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 2 Mar 90

[From "GMA News" program]

[Text] Senator Juan Ponce Enrile announced he will run for president in the 1992 elections. In an interview in his detention cell in Camp Karingal today, Enrile said if he was chosen by the Nacionalista Party, he will surely run for presidency, adding that he will be forced to run against President Aquino if no candidate will run against her. However, Enrile stressed that this is dependent on the result of the cases filed against him:

[Begin Enrile recording in English] I am encouraged to run for president in 1992 because of the perceived formidability or invulnerability of Mrs Aquino as a very popular president according to her. And therefore, they do not want to risk a defeat. Then being the leader in our democratic condition, I would take the courage to run against her in 1992, if no one else would want to run against Mrs Aquino. And probably, Mrs Aquino entertained in her mind that she wants to develop a worthy opponent in 1992. And that is the reason for all of this attention being given to me now. [end recording]

Businessmen 'Welcome' Arrest

HK0203045790 Manila THE MANILA CHRONICLE
in English 2 Mar 90 p 7

[With reports from Corrie Narisma, Lito Zulueta, Johanna Son, Chay Florentino, Bernadette Tio, and Joy Caburnida]

[Text] The business community generally believes that the arrest of Sen. Juan Ponce Enrile indicates the Aquino Government's firm determination to strictly implement the law and show that it is in "full control" of the situation. This emerged from interviews with business leaders who earlier urged the Government to implement the law and go after those involved in the Dec. 1 coup attempt.

Meanwhile, Speaker Ramon Mitra assailed House members of the Commission on Appointments (CA) who supported a resolution to ask the proper court to allow Enrile to attend its sessions.

Concepcion Industries chairman Raul Concepcion said Enrile's arrest is "welcome" but refused to comment further. TransUnion Corp. official Mike Varela agreed but added that the law should be applied "equitably" by including all others proven to have been involved in attempts to overthrow the Government.

However, some foreign businessmen were alarmed by Enrile's arrest, fearing that it could lead to "destabilizing actions" from certain sectors. An American firm, for instance, has advised its foreign personnel to evacuate their families to Hong Kong, said Alson Lee, Luzon Petro-chemical Corp. president.

Foreign Secretary Raul Manglapus also said Enrile's arrest would strengthen the country's image before the world as a democratic country. "I don't think our democracy is debilitated or nullified... On the contrary, I think the people are more and more impressed," Manglapus said upon his arrival from Jakarta where he attended the informal meeting on Cambodia.

The Metro Manila Mayors League also issued a statement hailing the filing of charges against Enrile as a manifestation of "democracy in action."

As the controversy over his arrest swirled, Enrile appeared to be making political capital of his predicament. In a press conference at Camp Karingal in Quezon City where he is detained, he described President Aquino as his "greatest public relations officer for raising me on a high pedestal of visibility." "Because she (Mrs Aquino) thinks she is strong, she is building up a possible opponent for 1992. That's why she is giving me all this attention," he said.

Enrile also continued to receive visitors yesterday, led by Senate President Jovito Salonga who went to see him at 2 p.m. "It looked more like a political convention," he said, adding: "I told him it did not look like a prison to me because ang damping media doon, ang damping tao [many media representatives and people were there]."

Asked what Enrile's reaction was to the the Senate decision to wait for a Supreme Court ruling before asking judicial authorities to allow him to attend sessions, Salonga said that, "Wala na man. Kung ano raw ang gusto ng Diyos [Nothing. He said whatever God wants]." But at the same time, Mitra criticized House members of the Commission on Appointments (CA) for supporting a resolution asking the proper court to allow Enrile to attend its sessions. "I don't think the members of the House in the Commission on Appointments did the right thing by agreeing to allow Enrile to participate in the CA," he said. "I think we should wait for the proper court action on this."

Security Force Members Recalled

HK0103092790 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 1 Mar 90

[Report by Jennifer Postigo]

[Text] Senator Juan Ponce Enrile could not hide his sadness when he shook hands with each of the 21 members of the Armed Forces of the Philippines (AFP) who all served in his security force during the past 18 years. The three officers and 18 enlisted members paid Enrile a courtesy call in his detention room in Camp Tomas Karingal in Sikatuna Village, Quezon City, after AFP Chief of Staff General Renato de Villa recalled them back to their mother units effective today, because they are no longer needed for the senator's security force as he is now in detention. The former bodyguards were not able to hold back their tears when they came face to face with the person they took care of in the past 18

years. Even the senator was so sad at the meeting. Colonel Vazquez, one of Enrile's security officers, said:

[Begin Vazquez recording] We are sad to leave the minister, Senator Enrile. We are thankful to General de Villa for giving us a good reception in our return to the armed forces. [end recording]

Meanwhile, here is part of Senator Juan Ponce Enrile's statement:

[Begin recording in English in progress] ...and I hope that He will protect you always, all of you. And I hope that the future will be bright for you. [end recording]

Charges To Be Filed on 'All' Coup Parties

*HK0103102990 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 1 Mar 90*

[By Dick Sinchingco]

[Text] President Corazon Aquino asserted that the government will file charges against all parties involved in the bloodiest coup attempt last December, whether they are Vice President Salvador Laurel or Marcos crony Eduardo Danding Cojuangco Jr. The chief executive said the government will file charges if there is sufficient proof and after a thorough investigation. Press Secretary Tomas Gomez III reads the president's statement:

[Begin recording in English] All parties who are found, after proper investigation in accordance with the requirements of due process, to have participated in an offense punishable by law on the basis of evidence showing probable cause of guilt, will be charged for such offense in court. No one is above the law. It is up to the investigating authorities to determine whether or not a specific person falls under such a case.

The president also stressed that the investigating authorities will have to determine those who will be charged. Earlier, the Davide commission learned that Vice President Salvador Laurel's group reserved a function room at the Manila Intercontinental Hotel when it was still under siege by rebel soldiers. Mrs Aquino again denied having political motives behind the filing of rebellion charges against opposition Senator Juan Ponce Enrile. [end recording]

In Malacanang, the president refused to send to the Commission on Appointments the nomination of Jose Cuisia Jr as Central Bank governor.

[Begin recording] [Sinchingco] President Corazon Aquino rejected the proposal to submit to the bicameral Commission on Appointments [CA] the nomination of Central Bank governor Jose Cuisia. She said Cuisia is not an executive department head and does not need confirmation. The president also praised the CA for confirming the appointments of Agriculture Secretary Senen Bacani and Labor Secretary Ruben Torres. Press Secretary Tomas Gomez III makes this statement:

[Gomez in English] The president has not agreed to submit to the Commission on Appointments the appointment of the Central Bank governor. He is not a head of an executive department and, therefore, is not among the officials that need confirmation. The Commission on Appointments has not taken an opposite view although some of its members may have expressed personal opinions on this point.

The president commends the Commission on Appointments for their confirmation of the appointments of Secretary Bacani of the Department of Agriculture and Secretary Torres of DOLE [Department of Labor and Employment]. She hopes that the confirmation of the others that she has submitted will soon follow. [end recording]

Ship Said Planning To Free Rebel Detainees

*HK0203100190 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 2 Mar 90*

[Text] The naval intelligence authorities yesterday sighted a foreign vessel believed to be involved in a plan to free 2,000 rebel detainees held in two naval ships anchored near Sangley Point. Sangley Point Commander (Mariano Lamancas) ordered that a triple red alert be raised when the vessel did not reply to radio and light signals. This incident followed reports saying that rebel soldiers are preparing for a final confrontation and they are forming a crack team that would abduct Senator Juan Ponce Enrile. The sighting of the vessel resulted in the speedy deployment of warships to their battle stations.

Aguinaldo 'Barricades' Gattaran, Cagayan

*HK0203115390 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 2 Mar 90*

[From "GMA News" program]

[Excerpts] The suspended Cagayan Governor has not surrendered. The arrest warrant issued against him could not be served because he has set up barricades around Gattaran town where he is now holed up along with 400 supporters comprising of armed Citizen Armed Forces Geographical Unit members and rebel returnees. For more details, here is Jessica Soho from Tuguegarao:

[Begin recording] [Soho] Based on reports reaching Tuguegarao today, Aguinaldo has occupied the municipality of Gattaran, 70 kms from Tuguegarao. His supporters have allegedly set up barricades on roads. Aguinaldo keeps a camp in barangay Calawagan, Dakkel at the foot of the Cordillera mountains. He is allegedly with about 300 to 400 supporters, some of whom are armed CAFGU volunteers and rebel returnees.

The military has started negotiating with him. General De Villa sent CRS [Civil Relations Service] chief Brigadier General Oscar Florendo, but Aguinaldo has not shown any indication of surrender. [passage omitted]

General Florendo, in case you fail in convincing Aguinaldo to give up and leave Gattaran peacefully, what will your next move be?

[Florendo] Well, there are other options which the law enforcers could take, but I would not air those in public because this is like a game of chess in which you should not tell your opponent your next move.

[Soho] The military warned that if it could not convince Aguinaldo to give up peacefully, they would have no other choice but to arrest him by force in his Gattaran hideout. [end recording]

Mitra Speaks at Marine Guard Battalion Ceremony

HK2802024590 Manila Far East Broadcasting Company in English 2300 GMT 27 Feb 90

[Text] A successful coup last December 1st [as heard] would really beget more coups and would start a cycle of instability and violence that can end only with the imposition in the country of either a right-wing or left-wing dictatorship.

House Speaker Ramon Mitra Jr made this disclosure yesterday in his brief remarks during the activation ceremony of the Philippine Marine Guard battalion held at the Batasan complex in Quezon City. Led by Marine Major Marcelino Yacat, the primary mission of the Marine Guard battalion is to provide protection and security to all members of both houses.

During his speech, Mitra assured that the House of Representatives would not allow personal loyalties to stand in the way of national interest.

Ramos Views Government Arms-Return Program

HK0103053790 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 1 Mar 90

[Text] Defense Secretary Fidel Ramos said that more than 3,000 rebel returnees have joined the government's arms-return program, which is sponsored by the National Reconciliation and Development Program. Ramos said that rebel returnees have turned over more than 2,000 firearms last year, 91 percent higher than the 1988 collection.

Bohol Wants More Soldiers To Fight Rebels

HK2702064790 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 27 Feb 90

[Text] More military troops may be deployed in Bohol Island to check rebel activities in the province. This was announced by Brigadier General Raul Imperial, regional constabulary and police commander, who added that he will consult with the Central Philippines military command on the plan to deploy more troops in Bohol. Imperial has also informed Bohol Governor Constancio Torralba of this plan.

Earlier, Governor Torralba had asked for more soldiers in his province following the ambush of an American geologist, his Filipino wife and his father-in-law last week. Investigators are still looking into the motive of the ambush.

Increased Rebel Activities Noted

HK0103121790 Quezon City Radyo ng Bayan in Tagalog 1200 GMT 1 Mar 90

[Text] Regional Command 7 commander Brigadier General Raul Imperial has alerted the Bohol Constabulary and police field commanders in response to a report of intensified rebel activities in the island. Imperial went to Bohol, along with some men and reporters, yesterday, and visited the 345th Philippine Constabulary [PC] company in Ubay, the 346th PC company in Carmen, and the 343d PC company in Tagbilaran City. A senior military official observed the increased rebel activities in the island, and called on all government field commanders to launch an aggressive anti-insurgency operation. It was also learned that the rebels had threatened to attack some towns in Bohol.

Albay Constabulary To Set Up Advance Post

HK2702125790 Quezon City Radyo ng Bayan in Tagalog 1200 GMT 27 Feb 90

[Text] An advance command post will be installed in Guinobatan, Albay by the Albay Constabulary Command as part of the province's counterinsurgency campaign. Regional Command 5 Chief Brigadier General Marino Filart said the proposed advance command post will replace the Scout Rangers, which were withdrawn from the area last year. The withdrawal has led to more active tax collection and recruitment activities by the New People's Army in the remote towns of Guinobatan, Ligao, Jovellar, and Pio Duran. The advance command post will be manned by regular Constabulary troopers and supported by two teams of Citizens Armed Forces Geographical Units.

NPA Communication Network Capture Reported

HK2402081890 Manila THE MANILA CHRONICLE in English 24 Feb 90 p 10

[By correspondent Noli Cabantug]

[Text] Liyang, Pilar, Bataan—The capture of a rebel communication installation here Wednesday broke the contact among four New People's Army [NPA] guerrilla fronts in Central Luzon, military authorities here said.

Col. Renato Dado, commanding officer of the Army's 702nd Infantry Brigade which captured the rebel communication network, said their facility served as a contact point for NPA units in Central Luzon. Dado, however, said it is still being determined whether the network was used by the rebels to contact their foreign supporters, as earlier reported.

Army Chief Maj. Gen. Manuel Cacanando yesterday visited the 702nd Infantry Battalion camp in Samal and inspected some of the radio equipment dismantled from the relay station. An army officer said their facilities were mostly improvised, but some radio equipment were sophisticated.

The communication relay station was situated atop a mountain, some 60 kms. from the historical Mt. Samat shrine, in Samal Bataan. Army soldiers belonging to the 68th Infantry Battalion under Maj. Juanito Gomez had secured the place to prevent rebels from getting it back.

Cacanando, during a briefing, was elated over the capture of the facility. He challenged his commanders to exploit the rebels' predicament by mounting a major offensive immediately. Cacanando will be promoting 2nd Lts. Cesar Pasculan and Benjamin Domingo for capturing the rebels, who led them to the relay station.

According to Dado, the relay station extended contacts among rebels based in Pangasinan, Tarlac, Zambales, Pampanga, and Bataan.

On the other hand, it was learned from Maj. Gomez that some Japanese and Swedish nationals were reportedly connected with the National Democratic Front (NDF). The International Solidarity Group had presently helped communist guerillas in Central Luzon in organizing local residents to support the rebels. This was discovered following the surrender of an NPA regular, Glen Llaneda, a former righthand man of the late rebel leader Crisostomo Ibarra. Ibarra was the former head of the section command 30 under the Bataan regional party committee.

Gomez said the foreigners reportedly gave lectures to the residents. At the same time, they supplied local rebels with medicines and other material support.

Suspected Communications Center in Bataan Raided

*HK2202132790 Manila Radio Veritas in Tagalog
1300 GMT 22 Feb 90*

[Text] In Pilar, Bataan, government troopers raided a suspected communications center used by the communist New People's Army [NPA] to establish contact with its foreign supporters.

According to Colonel Rene S. Dado, commander of the Army's 702d Infantry Brigade, his men found a few ultra-high frequency radio transmitters, hand-held radio transceivers, batteries, five M-16 rifles, ammunition, and a list of alleged local and foreign supporters of the CPP [Communist Party of the Philippines]-NPA-NDF [National Democratic Front]. Two rebel radio reporters were able to escape before the early morning raid was conducted in Pilar, Bataan.

According to Colonel Dado, the radio facility served as a vital link between rebels in Bataan and their allies in the United States, the Netherlands, Austria and North Korea.

Army Chief Stresses Need for Armored Carriers

*HK2402091290 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 24 Feb 90*

[Text] The Philippine Army today demanded the immediate purchase and delivery of 150 British-made Simba armored personnel carriers [apc]. The purchase is being questioned by the Congress. Army Chief Major General Manuel Cacanando said that other competitors to the Simba, including Cadillac which manufactures V-150 apc's, are also being considered and that these firms have reduced their prices to meet the Simba price.

Cacanando explained that except for eight Simbas to be manufactured in Great Britain, other units to be purchased by the Army will be made in the Philippines. The Simba manufacturer has offered to set up a joint venture with its Philippine counterpart in an agreement similar to that concluded between the Augusta and the Philippine Aerospace Development Corporation for the production and maintenance of F-211 trainer jets.

Cacanando admitted that he has approved the purchase of Simba following extensive field tests. He said that some modifications were introduced to the original design of the apc based on the results of the field tests. One modification is the installation of a V-shaped bottom for the Simba. Most apc's, including the V-150 currently used by the Army, have flat bottoms which are easily destroyed once they hit landmines.

Cacanando declined to reveal the price of the Simba but stressed that the terms are favorable to the Philippine Government. He also emphasized that the Army needs new apc's to enhance the mobility and firing power of its combat units in the campaign against the New People's Army and Muslim secessionist groups.

Quezon Constabulary Chief on Communist Activity

*HK1902111190 Manila Radio Veritas in Tagalog
0900 GMT 19 Feb 90*

[Interview with Quezon Province Philippine Constabulary commander Colonel Reynaldo Wycoco by unnamed reporter—live or recorded, location not given]

[Excerpt] [Wycoco] Well we have observed that during the past years the New People's Army [NPA] had ideologies and principles. At present we call their tactics NPA Stick, meaning that they stick to businessmen and ask money from them. They extort money from those whom they know have money and business. Our assumption is that they may have collected a great sum of money which is why they are presently quiet because they may be having a good time spending what they have collected. But when they run out of money they will resume their activities and will again collect progressive taxes. When they run out of money, as they did last time, they will rob commercial vehicles passing through the Bondoc Peninsula. You probably remember when they robbed the California Manufacturing Corporation, Carlsberg, and San Miguel. So, I am pretty sure that when they have

spent the money they acquired from their robbery activities they'll be out working again.

[Reporter] Colonel, Comrade Roger of the NPA seems to have disappeared. The last we heard of him was the raid on Sampaloc Town which he led. After that he suddenly disappeared. What do you think of this, I mean. Roger's sudden emergence, then sudden disappearance?

[Wycoco] Well, we had information that they were to hold a plenum or meeting regarding the election of new officials who were to be given new designations. Comrade Roger had to make a move to boost his image in the party. That is why he attacked Sampaloc Town in time for their planned plenum, to ensure that he get a better position. But I think that the plenum never materialized and he was not given a good position. This is why he has remained quiet up to now. We are monitoring their movements, including their special forces company which is now in the Bondoc Peninsula. This group is also quiet at present. We have many small-scale operations in force at the moment, and I think they are waiting for us to stop these before taking up actions. However, as I said, they have collected a lot of money and that is why they are silent. If they run out of money, they will be out and about again getting on with their extortion activities. [passage omitted]

Illegal Loggers Said Source of Rebel Funds

HK2002041790 Manila PHILIPPINE DAILY
INQUIRER in English 20 Feb 90 p 10

[By Al Sobrevinas]

[Text] Mt. Samat, Pilar Bataan—Illegal loggers in the province are now the biggest sources of fund of the insurgency movement here, a top military officer here disclosed yesterday.

Col. Rene S. Dado, commander of 702nd Infantry Brigade based in barangay Liyang here, said this information was revealed to him by several captured communist rebels and rebel surrenderees. He said the NPA [New People's Army] bought chain saws and loaned them to illegal loggers. A major portion of income derived from the sale of cut logs goes to the revolutionary funds, Dado added.

Dado said the communists have resorted to this new scheme after the residents here [from] whom they used to collect regularly have stopped and got tired of giving money to the revolutionary movement. To stop this practice, Dado ordered yesterday the three battalion commanders under him to arrest illegal loggers. He also ordered the resumption of continued combat operation to clear Bataan of NPA influence before the end of the first quarter.

He wrote Gov. Leonardo Roman and Bataan Mayors League president Nelson David of Limay town, to warn their constituents to refrain from going to forested areas to avoid being caught in the cross fire. "I am determined

to break the backbone of the subversive movement in the province by the end of March this year," Dado said.

Dado also said he has coordinated with the Department of Environment and Natural Resources provincial chief, Romeo Briones, to help enforce the government's decision to ban logging in the province.

Administration Candidate Leads in Mindanao Poll

HK2102095990 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 21 Feb 90

[Text] The Commission on Elections [Comelec] has started official canvassing of election returns from the provinces making up the Mindanao autonomous region. According to the official canvassing of early returns, the Struggle of Philippine Democrats [LDP] candidate Zacarias Candao is leading his opponent Ali Dimaporo in the province of Tawi-Tawi where he has garnered 36,543 votes to Dimaporo's 31,391.

The start of official canvassing was supervised by Attorney Nancy Madarang, chairman of the regional board of canvassers. Madarang said they have only received certificates of canvass from Tawi-Tawi and are waiting those from Maguindanao, Sulu, and Lanao del Sur. The official canvassing was witnessed by representatives of candidates participating in the elections.

Thailand

Editorial Urges Cut in U.S. Rice Subsidies

BK0103122190 Bangkok THAI RAT in Thai
1 Mar 90 p 3

[Editorial: "The Farm Act and Thailand"]

[Text] Thailand and the United States are both rice exporters. The United States, which is a superpower, should act as a big brother and assist Thailand in finding more markets. But, to the contrary, it views Thailand as a competitor and has been doing everything, including dumping cheap rice produced at high cost, just to snatch away markets from Thailand and make Thailand suffer.

The United States spends over a \$1 billion, or about 25 billion baht, annually to subsidize its rice farmers despite the fact that promotion of wheat cultivation would be more advantageous. It tried to affect the world rice market mechanism, no matter how big a loss it would incur, in order to cripple its competitors in rice exporting.

The United States is now aware that its support for rice growers under the Farm Act is no longer beneficial, and it wishes to enact a new law. It is holding a public hearing to listen to views of others, including Thailand. Anyway, Thailand made the right decision in not attending the session; it will present its opinion in writing.

If Thailand sends representatives to the hearing, it could be exposed to various questions concerning the production and marketing of Thai rice. There is a risk that its officials might leak out secrets to the detriment of Thailand. In fact, the aim of the United States in seeking an amendment to the Farm Act is nothing but to achieve greater benefits for American rice farmers, and not for Thailand or other rice-exporting countries.

Thailand is doing the right thing by proposing to the United States to reduce its rice planting area and to cut the \$1 billion annual subsidy for its rice farmers. If the world market mechanism can boost the world market price, then all exporting countries—including the United States—will stand to benefit from it. Thailand should point out to the United States that small rice-exporting countries will benefit from such measures. Once those countries are better off, they will become less dependent on American gratuitous aid. It would be even better if Thailand, together with new rice-exporting countries such as Burma and Vietnam, would lobby for its proposal as a bloc, with Thailand taking the role of a big brother. This would certainly benefit our rice trading in the future.

Regional Counternarcotics Centers Planned

BK2202013390 Bangkok *THE NATION* in English
22 Feb 90 p 1

[By Thana Phuphat]

[Text] In line with the highly publicised, US-inspired war against drugs, the Thai Police Department plans to establish four regional antinarcotics centres to crack down on production and trafficking of illegal drugs. Deputy Central Investigation Commissioner and chief of the police narcotics suppression centre Kowit Phupanit told *THE NATION* in a recent interview that the Police Department has requested an extra Bt [baht]100 million in its 1991 budget for the purpose.

"This is the first time the Police Department has asked for a separate fund for its antinarcotics activities," he said.

The proposal follows official estimation that drug trafficking is expected to intensify as a result of the projected increase in opium poppy and therefore, higher heroin production in the Golden Triangle, which could reach between 1,800 and 2,500 tonnes this year, Pol Maj Gen [Police Major General] Kowit said.

Under the plan, antinarcotics centres with permanent specialist staff, will be set up under the four Provincial Police Bureaus responsible for the central, northeastern, northern and southern regions, according to Kowit.

—On international antinarcotics operations, Kowit said Thai and African antinarcotics officials have recently agreed to cooperate in the suppression of drug trafficking following the growing African connection in the international drug trade, he said.

Kowit said almost 100 African couriers have been arrested in Thailand, and about 500 kilos of heroin confiscated locally as well as at various African destinations during the past four months. Only three Africans, all of them Nigerians, were arrested on drug charges in Thailand in the whole of 1988, according to the Office of the Narcotics Control Board (ONCB)'s report.

The cooperation, proposed by narcotics control authorities of African countries, including Nigeria and Ghana, would initially involve exchange of information and joint interception of drug traffickers and shipments, he said.

ONCB chief Chaowalit Yotmani said Africa has become a major transit point for heroin destined for North America and Europe as drug traffickers try to evade tight security on passengers and cargo originating in Southeast Asia.

Daily on Outcome of Jakarta Cambodia Talks

BK0203014990 Bangkok *BANGKOK POST* in English
2 Mar 90 p 4

[Editorial: "Jakarta Talks Show Need for Compromise"]

[Text] The failure of Wednesday's Cambodian peace talks in Jakarta is most frustrating considering the exhaustive efforts made in laying the groundwork to achieve some measure of progress since the Paris Conference on Cambodia in September last year.

Apart from Australia's efforts in sounding out all parties concerned regarding their peace plan, Prime Minister Chatchai Chunhawan tried to lend impetus to progress by "facilitating" a meeting between Cambodian resistance leader Prince Norodom Sihanouk and Phnom Penh prime minister Hun Sen which resulted in their first-ever communique.

Two crucial points emerged from the communique: that a United Nations presence "at appropriate levels" in Cambodia is essential and should be encouraged and that a national supreme council to symbolise Cambodian national sovereignty and national unity should be formed.

Agreement on these two principles heightened optimism and hope that finally, sufficient progress would be achieved in Jakarta that would lead all parties concerned back to the negotiating table in Paris later this year. The cause of Jakarta's failure is simply insufficient compromise by the parties concerned.

While Phnom Penh and Vietnam agreed that the United Nations should be responsible for preparing and overseeing elections as well as monitoring, supervising and verifying the Vietnamese troop withdrawal, the cessation of foreign aid to the warring factions, the non-return of foreign troops and a ceasefire, they refuse to give the UN the means to carry out its duties, namely a peace-keeping force or military muscle.

If it is agreed that the United Nations' role is essential, then it is necessary that this body be given the means to carry out a most difficult and trying task. On this front, Vietnam and Phnom Penh need to be more reasonable.

On the other hand, the Cambodian resistance is being unreasonable when it continues to demand the total dismantling of the Phnom Penh administration prior to free and fair elections and that the national supreme council be quadripartite.

The grassroots dismantling of a government administration, which has been in power for over 10 years, is not only a near-impossibility but would cost millions of dollars. On this point, the resistance needs to compromise and accept that a stable administration is crucial to ensure that everyday life is not interrupted while preparations are made for elections.

The resistance should also show more flexibility in accepting Phnom Penh's proposal that the national supreme body be comprised of the "two governments"—the Hun Sen government and the Cambodian resistance. By insisting that this body be made up of four rather than two ignores the reality that there are basically two groups involved in the conflict, the government that has been in power in Phnom Penh for the past 11 years and the one recognised by the United Nations. Further insistence on the quadripartite formula would only further unnecessarily delay progress.

Apart from allowing the United Nations to have the military means to carry out its duties, Phnom Penh needs to show compromise by agreeing to accommodate the resistance government and give some measure of executive power prior to elections. Such a gesture would show that Phnom Penh wants peace but is prepared to take the lead in forging renewed Cambodian national unity by taking in those who have opposed it for over a decade.

A greater degree of compromise on both sides is essential if peace is to return to Cambodia.

Thai Traders Depart for Burmese Gem Fair

BK0502021990 Bangkok THE NATION in English
5 Feb 90 p 2

[By Yindi Leotchaoenchok]

[Text] A group of 20 gem traders leaving for Rangoon today will be the first Thais in over a decade allowed to participate in the annual Burmese gem, jade and pearl emporium, Commerce Minister Subin Pinkhayan announced.

Speaking over the weekend after returning from an official visit to Rangoon, Subin said the Thai businessmen had finally been given permission to take part in the event after he made frequent requests to Burmese authorities, including to his counterpart Col [Colonel] David Abel, minister for trade, planning and finance.

Thai gem merchants have been banned from the auctions for over a decade because of what Burmese authorities felt were numerous instances of the traders not following up their bids with payments, informed sources said.

Thai businessmen have tried unsuccessfully over the past few years to persuade Rangoon to reverse its ban and the permission only came after several rounds of official talks last year, the sources said.

A total of 1,051 lots of gems, jade and pearl with a base price set by the Burmese government of over US\$18 million will be on sale at this year's emporium, according to a report in the Burmese Working People's Daily. Jewellery and jade carvings with an estimated worth of US\$2.5 million will also be offered in a separate sale.

The emporium, which is organized by the Ministry of Mines, has been open for viewing since last Thursday but sale of goods begins today and lasts through Feb 12. About 470 gem traders from 17 countries are expected to attend.

Deputy Prime Minister Phong Sarasin and Commerce Minister Subin Pinkhayan visited the emporium along with their delegation during their three-day official visit to Burma last week.

—The Board of Trade of Thailand will lead a team to Burma from Feb 22-26. The 45-member delegation will call on Burmese Trade Minister Col Abel; Maj-Gen [Major General] Chit Swe, minister for livestock, fisheries, agriculture and forests; and Rear-Adm [Rear Admiral] Maung Maung Khin, minister for mines and energy.

Vietnam

News Conference on Davos, Troops in Cambodia

BK0103132990 Hanoi Domestic Service in Vietnamese
1100 GMT 1 Mar 90

[Text] Today in Hanoi, a spokeswoman for the SRV Foreign Ministry held a regular news conference, which was attended by correspondents of many domestic and foreign news agencies and papers. Starting the news conference, our Foreign Ministry spokeswoman Comrade Ho The Lan reported further on the results of the activities of Vo Van Kiet, first vice-chairman of the SRV Council of Ministers, at the world economic forum held in Davos, Switzerland, from 4 to 7 February. Comrade Ho The Lan said:

At the Davos forum, Vice-chairman of the Council of Ministers Vo Van Kiet informed the world of the process of renovation in Vietnam and encouraging initial results that had been obtained. He also welcomed the expansion of economic cooperation, especially foreign investment in Vietnam. In Davos and Geneva, the business and press circles highly appraised the process of renovation in Vietnam and its initial results.

Vice-chairman Vo Van Kiet exchanged views with the Swiss foreign minister on the need to further strengthen bilateral economic relations in the spirit of friendship, cooperation, and mutual understanding. The two sides agreed to sign at an early date an agreement on ensuring investment and preventing double taxation. Switzerland will continue development aid to Vietnam. The Swiss side expressed the wish to reopen its embassy in Vietnam at an early date. We will create every favorable condition for this wish. In Davos, Vo Van Kiet also exchanged views with Mr. Lee Kuan Yew on developments in the world and regional situations, as well as on the Cambodian issue and bilateral relations. The exchange of views proceeded in a very frank manner. This was the second time Vietnam attended the annual meeting of the World Economic Forum, which has turned out to be a great success. We will continue our close relations with this organization and, through it, will participate in the world business community.

Next, our Foreign Ministry spokeswoman answered many questions by correspondents. A correspondent from AKAHATA requested that he be briefed on Vietnam's reaction to a 23 February NEW YORK TIMES report that Vietnam has sent its troops back into Cambodia and that Vietnamese Ambassador to Cambodia Ngo Dien has stated that Vietnamese advisers have returned to Cambodia. Our Foreign Ministry spokeswoman said: Vietnam withdrew all its troops from Cambodia in September 1989, and all those who wanted to observe the troop pullout were invited to Cambodia to witness it. As you already know, the troop withdrawal was witnessed by hundreds of foreigners who were present in Cambodia. Public opinion in the world welcomes the Vietnamese troop withdrawal, which has created favorable conditions for seeking a political solution to the Cambodian issue.

At a time when victories have been recorded by the army of the State of Cambodia on the battlefield, the other side again spreads rumors that Vietnam has sent its troops back into Cambodia. This report is totally groundless. Like the inaccurate report on the statement by the Vietnamese ambassador to Cambodia, this report contains ill intentions and once again we reject it.

Vo Chi Cong Speech at Control Conference

*BK2302055990 Hanoi NHAN DAN in Vietnamese
6 Jan 90 pp 1, 4*

[Speech by Council of State Chairman Vo Chi Cong at a conference of the People's Organ of Control Sector to review its 1989 activities—date, place not given]

[Text] On behalf of the party and the state, I would like to cordially welcome all comrades participating in this conference held by the People's Organ of Control Sector to review its 1989 activities and discuss its work plan for 1990.

In 1989, the People's Organ of Control sector, with its great efforts, scored some fine results. Following promulgation of a National Assembly's resolution on work regarding the maintenance of public order and security, the Supreme People's Organ of Control quickly drew up a plan for work implementation within the entire sector. It held a joint conference with the participation of the interior, tribunal, judicial, and control sectors to discuss ways to guide localities in achieving cooperation in crime suppression and prevention. In a number of localities, thanks to satisfactory efforts, some kinds of criminal cases were reported to have decreased and public order and security started to be restored. You, comrades, contributed to propagating and teaching the masses about the law and motivating them to participate in crime prevention and suppression.

In 1989, the first year of implementing the law on criminal procedures, the control sector exerted efforts to join with various internal security sectors in ensuring that all activities involving the arrest, detention, investigation, prosecution, and trial of people are carried out quickly in accordance with the law.

To contribute to restoring order and discipline in economic management for support of the new mechanism, last year the control sector concentrated on controlling the enforcement of the law in a number of key economic sectors such as banking, rubber, coffee, etc. It succeeded in detecting many violations of the law in exercising management over monetary transactions, over the supply of raw materials, and over capital investment in export-oriented production. The Supreme People's Organ of Control requested the general director of the State Bank and various ministries concerned to adopt measures against violations to restore law and order in production and business management. The entire sector helped recover tens of billions of dong for the state.

On behalf of the party and state, I heartily commend all cadres and members of the People's Organ of Control Sector for their efforts and achievements in 1989.

However, given their functions and tasks as provided by the Constitution, activities of the control sector continue to reveal many shortcomings and weaknesses. Control activities, although already renovated, are not strong enough, and the methods with which these control activities are carried out do not suit renovative thinking and are incomprehensive. Control work has been carried out only in some economic sectors. Violations have been discovered in many fields of activity and in many important sectors, but you have taken no countermeasures, comrades. Even in sectors that have been given attention, many criminal cases—especially economic crimes—and violations of the law have gone unnoticed. Meanwhile, many innocent people have been tried on false charges. Appropriate measures have not yet been taken to teach the cadres and people about the law and to motivate a large number of the masses to participate in the struggle for crime suppression and prevention. In general, efforts to build the sector are still weak, while

attempts to improve its expertise have yet to catch up with requirements arising from the situation and tasks. The training and management of cadres in certain localities are not good, while the percentage of control cadres violating discipline and the state law are higher than in the preceding year.

I hope that in this conference you, comrades, will carefully discuss ways to overcome these shortcomings and weaknesses.

We are entering the year 1990 with many heavy and complex socioeconomic tasks. In 1989 we succeeded in bringing about a positive change in the socioeconomic situation. This success was due primarily to the implementation of the party's renovative lines. The economy, however, is still beset with great difficulties. Many acute social problems have not been solved, while the new management mechanism has not yet been uniformly applied. Efforts to popularize the law remain slow; the state management is still, at certain moments, slack; and the enforcement of law and discipline is still not strict. The ills of bureaucracy and corruption and the violations of basic civil rights are still strongly felt.

Our national situation calls for various sectors, echelons, and our entire people to continue to exert their determined efforts to further step up the renovation undertaking initiated by the party, and to successfully implement the National Assembly's recent resolution on the 1990 socioeconomic tasks, and to carry out continually and uniformly various measures aimed at combining the strength of the many organs of power with that of the mass movement in order to ensure public order and security and social safety.

To fulfill their duties in the new year, the control sector in general and each procurator or control cadre must understand even more profoundly the resolution of the Sixth Party Congress and other resolutions of the Party Central Committee and the National Assembly and must continue to renovate vigorously control activities and work related to the development of the contingent of procurators. In conducting control work, it is necessary to firmly grasp the country's socioeconomic tasks and targets in order to determine operational programs and plans. In every case, inspection must be focused on the important points and conducted in a clear-cut manner. Inspection must also be focused on those important economic sectors that are plagued with infractions.

We must, through control work, actively help various economic sectors unravel difficulties and obstacles in their production and business activities, while encouraging them to operate in accordance with state laws to avoid losses to the interests of the state and the people.

In recent years, along the line of party renovation, our state's legislative work has gradually increased. Two major codes and dozens of laws and regulations have been promulgated. In the years ahead, the enforcement of laws will be carried out more intensively. To intensify the socialist legal system, we must, first of all, have laws.

However, once laws have been promulgated, the extremely important issue is that we must apply these laws scrupulously, ensuring that every stipulation of a law and every legal document is respected and vigorously administered by all state agencies and economic and social organizations, as well as by all citizens. Meanwhile, the function of supervising the law-abidingness of the control sector, as well as of each control cadre, is even more important and the improvement of the quality and efficiency of control work is even more essential.

It makes people happy when they see that more laws have been promulgated. However, people tend to raise the questions: Can the laws be administered? How far can these laws be administered? How will they be applied to life? The control sector can only carry out its functions by urgently renovating its viewpoints concerning organizational work and operational methods, as well as by developing and strengthening the contingent of its cadres.

In 1990, the control sector should continue coordinating its activities even more closely with the various branches of the internal affairs sector to continue successfully implementing the resolution of the Fourth General Assembly Session on the maintenance of public order and security to end the current complicated development of criminal offenses.

The control sector should continue scrupulously implementing the Code of Criminal Procedures and closely supervising all arrests, detentions, investigations, prosecutions, and trials. It should resolutely allow no criminals to escape justice; however, it should also act with extreme caution not to wrongfully punish the innocent.

In view of the current requirements of renovation, the Supreme People's Organ of Control and the local people's organs of control must make every effort to fulfill their duty of controlling law enforcement and the exercise of public prosecution authority, ensuring that laws and regulations are scrupulously and uniformly implemented nationwide. Proper relations should be established among local people's organs of control and party and people's committees and people's councils at all levels. At present, these relations are still not good, thus limiting the effectiveness of control work.

On this occasion, I would like to ask the party committees and administrations at all levels to work in close coordination with the control sector to ensure the principle of centralism and unification in all activities of the control sector. This is to bring into full play the aggregate strength of the entire political system at each level and locality and mobilize large segments of the masses to participate in the struggle against and prevention of crime, to firmly maintain law and order, and to stabilize the socioeconomic situation.

In 1990, the control sector faces quite weighty but very glorious tasks. You must renovate and try hard to build a strong, stable, and pure contingent of cadres armed

with good virtues and quality, a lofty militant spirit, high professional skills, and close contacts with the people and grass-roots levels. You should always keep in mind and act upon venerated and beloved President Ho Chi Minh's teaching: "Control cadres must be just, clear-sighted, righteous, objective, cautious, and modest."

On the occasion of the New Year, I affectionately wish all the contingent of workers, cadres, and employees of the people's control sector the best of health, happiness, active renovation, and many new achievements in their work.

I wish the people's control sector successful implementation of its 1990 work program.

Ministry Reviews Overseas Training Programs

*BK0103112390 Hanoi Domestic Service in Vietnamese
2300 GMT 27 Feb 90*

[Text] The Ministry of Higher and Vocational Education and Job Training held a conference in Hanoi from 26 to 27 February to discuss measures to renovate and enhance overseas training programs for scientific cadres and technical workers in the new stage. Minister Tran Hong Quan chaired the conference. A report at the conference appraised the real situation of overseas

training programs during the past several years and acknowledged renovative concepts and orientations on overseas training in the new stage. During the past decade, Vietnam has annually sent about 2,400 students to seven socialist countries for further studies and more than 22,000 for vocational training. The country has sent more than 200 students annually to other countries for training.

Scientific cadres and technical workers trained abroad have contributed significantly to forming the contingent of scientific workers. However, in light of new requirements for the current renovation, the training and fostering of scientific cadres and technical workers abroad have experienced numerous shortcomings and weaknesses. These include low training quality and the formulation of irrational occupation structures that are inconsistent with requirements for our country's socioeconomic development program. The overseas training programs must be adjusted to meet new requirements in our country and to overcome ordeals caused by politico-socioeconomic situations in foreign countries. As a result, delegates to this conference contributed many ideas to the report and a draft regulation on students studying abroad in order to renovate the overseas training programs to suit the new situation.

Fiji

Rabuka Threatens Military Intervention

BK0203070890 Melbourne Overseas Service in English
0500 GMT 2 Mar 90

[Text] The commander of the Fiji military forces Major General Sitiveni Rabuka has again warned that the military will intervene if the authority of the police or judiciary is undermined.

Gen. Rabuka issued the warning while reviewing a parade by the Fiji Army's Fifth Battalion based in the country's second largest city, Lautoka. However he stressed the army could not be directly involved in the administration of justice in the country.

At the same time, Gen. Rabuka urged his men not to be distracted by what he described as mounting criticism and opposition. He said, as guardians of Fiji, soldiers must remain connected to duty at all times. Gen. Rabuka was visiting Lautoka as part of a tour of military units based in Fiji's western division.

Papua New Guinea

Bougainville Quiet, Tense as Cease-Fire Begins

BK0203080890 Hong Kong AFP in English 0747 GMT
2 Mar 90

[By Wally Hiambohn]

[Text] Port Moresby, March 2 (AFP)—A ceasefire came into force early Friday [2 March] on strife-torn Bougainville Island pending peace talks between militants and the Papua New Guinea Government to end the 15-month old conflict.

The situation on Bougainville was reported as quiet but tense after the ceasefire took effect at 06:00 A.M. Friday (2000 GMT Thursday). There were no immediate reports of any incidents, although a policeman was shot and killed in the provincial capital Arawa on the eve of the ceasefire. The slaying, immediately blamed on militants, created serious doubts whether the peace initiatives would last.

The peace process suffered another setback Friday when the Red Cross organisation ruled out any role in the ceasefire. "Under no circumstances can the International Committee for the Red Cross [ICRC] be involved in supervising or monitoring a ceasefire or troop withdrawal as this is completely outside the ICRC mandate," the organisation said in a message delivered to Papua New Guinea's embassy in Jakarta. The government had suggested the Red Cross provide an international observer to monitor the withdrawal of nearly 1,000 security forces from the island and to oversee a surrender of arms by militants.

Prime Minister Rabbie Namaliu has left the agenda open for peace talks with the militants expected to begin next week.

Mr. Namaliu said Thursday that as the troops withdrew from the island the militants were expected to surrender all arms under the supervision of an international observer, although no preconditions had been set for the talks. The government said it would begin pulling out its troops on Saturday, with the withdrawal scheduled to be completed within a fortnight.

More than 80 people have been killed on Bougainville since a brewing dispute with militant landowners boiled over into open conflict in November 1988. Militants have been demanding more than 10 billion kina (10 billion U.S. dollars) compensation from the giant Bougainville Copper Ltd. mine and secession from Papua New Guinea.

State of emergency controller Paul Tohian said the policeman was killed at 07.30 P.M. Thursday (2130 GMT Wednesday) as he drove from the police barracks to the police station. In another incident the local radio station, run by the government-funded National Broadcasting Commission, was forced to shut down indefinitely when one of its drivers was shot and wounded Thursday night while transporting broadcasters to the station in Kieta. In events preceding the two shootings, three soldiers and two policemen were wounded Thursday in two separate ambushes despite an official announcement by Mr. Namaliu of the ceasefire and the withdrawal of government troops. According to Mr. Tohian the policeman was shot by a high-powered rifle and his AR-15 semi-automatic rifle was taken. Mr. Tohian again expressed his concern at the level of rebel violence despite the signing of the ceasefire and the agreement on a "cooling off period."

Late Thursday he accused militants of capitalising on the conditions of the ceasefire to cause as much damage as possible before it came into effect. "While security forces have been ordered not to engage in any further offensive action against the militants, the militants continue to shoot at security forces," he said.

The agreement for a ceasefire was signed separately Wednesday by security forces commander Colonel Leo Buia and Sam Kauona, rebel commander of the Bougainville Revolutionary Army.

Mr. Namaliu has cautiously welcomed the agreement as "the first stage" in a settlement of the crisis, but also warned against over-optimism. He said he did not want to "raise expectations too high" even after the signing of the agreement. "What we have done is create an environment conducive to further discussions on substantive issues which still have to be resolved," he said.

Foreign Minister Michael Somare will head the government team at the talks.

Police Killing Raises Doubts of Rebel Leadership

*BK0203075290 Melbourne Overseas Service in English
0500 GMT 2 Mar 90*

[Text] The cease-fire in the Papua New Guinea island of Bougainville is in operation. A cease-fire agreement between the government and the rebels was signed on Wednesday [28 February] by the commander of the government forces on Bougainville, Colonel Leo Nuia and former Army Lieutenant Sam Kauona as commander of the Bougainville Revolutionary Army.

However, Radio Australia's Port Moresby correspondent Sean Dorney reports that the killing of a policeman in the provincial capital of Arawa less than a day before the cease-fire was due to take effect has raised doubts over the discipline of rebel leadership has over its supporters.

Officials with the state of emergency operations say the policeman, a detective constable, was killed by a group of more than 20 young men near the Arawa police barracks. Two other policemen escaped from the scene, but the authorities claimed the militants stole a police rifle and a revolver.

Sean Dorney says it's unclear whether the group that attacked the policeman in Arawa submit to the authority of the commander of the rebel forces. After the official cease-fire came into effect today, Arawa was reported calm with the town's markets having their largest crowds for months.

Committee With Indonesia To Oversee Border Issues

*BK2802112290 Hong Kong AFP in English 1057 GMT
28 Feb 90*

[Text] Port Moresby, Feb 28 (AFP)—Papua New Guinea and Indonesia will set up a joint security committee as part of a revised border agreement between the two countries, Foreign Affairs Department officials said here Wednesday [28 February]. The officials said the establishment of the committee was a major addition to the revised basic agreement on border arrangements following recent talks between the two governments.

Prime Minister Rabbie Namaliu said in a brief statement that cabinet already had authorised Foreign Affairs Minister Michael Somare to sign the agreement in Jakarta at a date to be fixed. The agreement, which provides a legal framework under which all matters affecting the border are conducted, has been extended from five years to 10 years and will now last until the

year 2000. This was a result of maturing and stable relations between the two countries, the officials said.

They said the security committee would be made up of government officials from both sides who would consult on security matters affecting the two countries' relations.

The revision of the agreement comes after a series of joint border committee meetings which have discussed border matters and proposals on how to improve bilateral relations.

Last year the two countries made significant progress with the conclusion of an arrangement for air services, the signing of an agreement for a joint search and rescue operation and the placement of 52 markers along the 600 kilometre border.

Observers also noted the recent opening of a Papua New Guinea consulate in Jayapura, the voluntary repatriation of many Irian Jayan border crossers and the absence of any major incidents along the border. They said that for many years the border had been an area of extreme sensitivity stemming from guerrilla campaigns by Irian Jayan nationalists against Indonesian officials and soldiers. As a result thousands of Irian Jayans fled into Papua New Guinea, pursued illegally across the border many times by Indonesian soldiers.

In the past five years the two countries have taken drastic steps to improve relations, the most notable being the treaty of mutual respect, friendship and cooperation signed in 1986.

Minister Rejects 'Commercial Loans' Allegations

*BK0103072290 Melbourne Overseas Service in English
0500 GMT 1 Mar 90*

[Text] Papua New Guinea's finance minister, Mr. Paul Pora, has said his country has no intention of taking up commercial loans with overseas lenders to help balance the national budget. He was responding to claims by the opposition that the government had negotiated with the International Monetary Fund [IMF] and the World Bank for support on the country's balance of payment.

The deputy opposition leader, Sir Julius Chan, had said that the government wanted to borrow about \$100 million [currency not further specified] from the World Bank and the IMF to ease the balance of payment problem arising from the Bougainville crisis.

However, the finance minister said the negotiations with the two institutions were for ordinary borrowing (?and would not) result in Papua New Guinea falling into greater debt.